

but with the associate or full professional classes. Such a comparison will indicate that teachers' salaries are relatively lower. Justification for such apparent discrimination, if justification is possible, may be looked for in (1) the salaries received by teachers in other cities and (2) the long summer vacation.

4. The salaries received at the present time in Washington influenced the commission to some extent. Such influence probably resulted in keeping the recommendations down to a level which may be regarded as just compensation for the teachers now in the service.

5. The recommendations of the board of education concerning salaries, and also those of the teachers themselves, exerted a limited influence in the proposed salary scale. An examination of the wage scale adopted by the commission will show

that the proposed scale for both elementary and high school teachers is lower than that suggested by either the administration or the teachers.

Inasmuch as the commission was influenced to a considerable extent by the salaries paid in certain selected cities with which Washington might properly be compared, I have prepared a table showing the salaries paid in the key classes in the educational service. The cities selected were New York, Chicago, Boston, Newark, East Orange, and Detroit. For the sake of comparison, I have also listed the recommendations of the commission for the same classes. I ask that this be printed in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

*Educational service key classes.*

| Title.                               | New York. |          | Chicago. |          | Boston.  |          | Newark.  |          | East Orange. |          | Detroit. |          | Recommendations of the commission. |          |
|--------------------------------------|-----------|----------|----------|----------|----------|----------|----------|----------|--------------|----------|----------|----------|------------------------------------|----------|
|                                      | Minimum.  | Maximum. | Minimum. | Maximum. | Minimum. | Maximum. | Minimum. | Maximum. | Minimum.     | Maximum. | Minimum. | Maximum. | Minimum.                           | Maximum. |
| Elementary teacher.....              | \$1,005   | \$2,160  | \$1,200  | \$1,975  | \$1,080  | \$1,752  | \$1,300  | \$1,900  | \$1,300      | \$2,100  | \$920    | \$1,520  | \$1,200                            | \$2,100  |
| Senior teacher.....                  | 1,350     | 2,800    |          |          | 1,788    | 1,980    |          |          | 1,400        | 2,200    | 1,100    | 2,200    |                                    |          |
| High-school teacher.....             | 1,350     | 3,150    | 1,600    | 3,400    | 1,452    | 2,316    | 1,400    | 2,700    | 1,600        | 2,800    | 1,100    | 2,800    | 1,500                              | 2,700    |
| Senior teacher.....                  |           |          |          |          | 1,812    | 2,484    | 1,900    | 3,200    | 1,800        | 3,100    |          |          |                                    |          |
| Principal elementary school.....     | 3,000     | 4,000    | 2,500    | 4,250    | 3,060    | 3,660    | 1,700    | 3,500    | 2,200        | 4,000    | 2,000    | 3,600    | 2,600                              | 3,320    |
| Principal high school.....           | 5,000     | 5,500    | 3,760    | 5,100    | 3,636    | 4,500    | 3,600    | 4,800    | 3,500        | 4,900    | 5,000    |          | 3,600                              | 4,500    |
| Senior director manual training..... | 4,000     | 5,000    | 4,000    | 5,000    | 3,420    | 3,780    |          |          | 2,500        | 3,600    | 2,500    | 4,000    | 2,500                              | 3,220    |

Mr. HENDERSON. The table comprises only the so-called "key classes" in the teaching service. It was considered that if the salaries for key classes could once be established it would be relatively simple to apply this scale as a standard to other classes. For instance, if the rate for the principal of high schools were determined, the rate for the assistant principal, the heads of departments, and the head teachers would bear a very definite relationship to the salary of the principal. In the same way the determination of the rate for the high-school teacher would serve as a norm for setting up the salary range for the special teachers in the high school, such, for instance, as the teacher of manual training, military instructor, and so forth.

The policy of the commission was, therefore, to determine the key classes by reference to present salaries and to those paid on the outside and then to set up a salary range for other classes which might be referred to them. In this way the commission believed that uniform and equitable salaries might be secured.

Another feature that should be noted is the provision for annual increments from the minimum to the maximum salary. The steps between the minimum and the maximum are in some instances an increase of \$100 per annum and in others \$150 per annum until the maximum is reached. According to the recommendations of the commission, however, these increases are definitely not to be considered automatic, but, rather, to be determined by an increasing degree of efficiency as shown in the efficiency records of the teacher.

Mr. President, since the select committee has recommended the adoption of the report of the Congressional Joint Commission on Reclassification of Salaries as they relate to the teaching service, the Members of the Senate may be interested to refer to part 2, which contains the classification of positions and the schedules of compensation for the respective classes. On page 581 is found the classification of the educational service in the District of Columbia. I simply wish to call the attention of the Senators to the method defining duties, qualifications, and compensation. On page 597 is an illustration that bears on this discussion, to wit, a teacher in the elementary schools. We give there the specifications of the class, which include the duties under that head, together with the qualifications that an elementary teacher in the school is supposed to possess. Then following the qualifications come the principal lines of promotion and the compensation for the class.

At the bottom of that page it will be found that the annual minimum compensation for this class is \$1,200. Then come the annual increases in salary ranging from \$1,200 to \$2,100. The object of the series of steps is to hold out an inducement to the teacher to remain in the service. The turnover has been very great of late, and it seemed to our committee that it would be highly desirable to provide an increase of salary covering a number of years—in this case nine—in order that when a competent teacher is once obtained and is becoming trained in the service he may be interested to remain.

Mr. CURTIS obtained the floor.

Mr. SHERMAN. Mr. President—

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Does the Senator from Kansas yield to the Senator from Illinois?

Mr. CURTIS. Certainly.

NOMINATION OF REV. JOHN VAN SCHAICK, JR.

Mr. SHERMAN. I wish to give notice, on behalf of the Committee on the District of Columbia, that at the earliest practicable moment we shall urge that the Senate go into executive session for the purpose of considering the nomination sent to the Senate of Dr. Van Schaick to be a member of the Board of Commissioners of the District.

RECESS.

Mr. CURTIS. I move that the Senate take a recess until 12 o'clock to-morrow.

The motion was agreed to; and (at 10 o'clock and 15 minutes p. m., Wednesday, May 26) the Senate took a recess until to-morrow, Thursday, May 27, 1920, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES.

WEDNESDAY, May 26, 1920.

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

With unfeigned love and pure devotion, our Father in heaven, we wait upon Thee for that holy influence ever emanating from Thy heart, to inspire, uphold, and sustain Thy children in every great thought and noble aspiration.

Be with us this day and uphold, sustain, and guide us in all our acts, that we may inherit the well done good and faithful servant. Under the spiritual guidance of the world's Great Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

PAYMENT OF CLAIMS TO THE WOODEN-SHIP BUILDERS.

The SPEAKER. To-day is Calendar Wednesday, and the Clerk will call the roll of committees.

The Clerk called the roll, and when the Committee on Merchant Marine and Fisheries was reached:

Mr. GREENE of Massachusetts. Mr. Speaker, I call up the bill S. 3451, on the Union Calendar.

The SPEAKER. The gentleman from Massachusetts calls up the bill S. 3451, on the Union Calendar. The House automatically resolves itself into Committee on the Whole House on the state of the Union.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. McARTHUR in the chair.

Mr. GREENE of Massachusetts. Mr. Chairman—

Mr. GARD. I think the bill ought to be read. It is short.

The CHAIRMAN. The Clerk will report the bill.

The Clerk read as follows:

S. 3451. An act authorizing and directing the United States Shipping Board to adjust and pay the claims of wooden-ship builders arising out of the prosecution of the war, and for other purposes.

*Be it enacted, etc.,* That the United States Shipping Board be, and it is hereby, authorized to adjust, liquidate, and pay the claims of individuals, firms, or corporations who built or contracted to build wooden ships for the United States, the United States Shipping Board, or the United States Shipping Board Emergency Fleet Corporation after April 6, 1917, which can not be paid under the law as it now is, and said board shall adjust and liquidate each claim upon such terms as it shall determine from the facts in the case to be just and equitable, and its decision shall be deemed conclusive and final, except as herein otherwise provided: *Provided*, That no claim shall be liquidated or paid unless it is alleged and found to be based upon a request or demand of the United States Shipping Board, the United States Shipping Board Emergency Fleet Corporation, or any officer or agent acting under the authority, direction, or instruction of said board and corporation, or either of them: *Provided further*, That said board shall consider, approve, and dispose of only such claims as shall be made hereunder and filed with the board within three months from and after the date when this act shall become a law: *Provided further*, That no claims shall be allowed and paid by said board unless it shall appear to its satisfaction that the expenditures made or obligations incurred by the claimant were made in good faith and upon assurances by the United States Shipping Board, the United States Shipping Board Emergency Fleet Corporation, or any officer or agent acting under the authority, direction, or instruction of said board and corporation, or either of them, that reimbursement would be provided for in money or contracts for additional work: *And provided further*, That no claim shall be paid unless it shall appear to the satisfaction of said board that moneys were invested or obligations incurred subsequent to April 6, 1917, and prior to November 12, 1918, in a proper and legitimate attempt to produce ships for the needs of the Nation in connection with the prosecution of the war; and that no profits of any kind shall be included in the allowance of any of said claims, and that no investment for merely speculative purposes shall be recognized in any manner by said board: *And provided also*, That the settlement of any claim arising under the provisions of this section shall not bar the United States Government, through any of its duly authorized agencies, or any committee of Congress hereafter duly appointed, from the right of review of such settlement, nor the right of the United States Shipping Board Emergency Fleet Corporation to recover any money paid by the Government to any party under and by virtue of the provisions of this section, if the Government has been defrauded; and the right of recovery in all such cases shall extend to the executors, administrators, heirs, and assigns of any party.

Sec. 2. That a report of all operations under this section, including receipts and disbursements, shall be made to Congress on or before the first Monday in December of each year: *Provided*, That in the event any claimant shall be dissatisfied with any allowance or award made by said board pursuant hereto, such claimant may appeal therefrom with respect thereto to the Court of Claims, which is hereby given jurisdiction to make such allowances and awards, in the case of such appeals, as it may deem just and equitable.

Sec. 3. That nothing in this section shall be construed to confer jurisdiction upon any court to entertain a suit against the United States: *Provided*, That in determining the net losses of any claimant the Shipping Board shall, among other things, take into consideration and charge to the claimant the then market value of any such plants or the lumber or materials on hand belonging to the claimant and acquired to be used in the construction of any wooden-ship building plant, and also the salvage or usable value of any machinery or other appliances which may be claimed was purchased to equip any wooden-ship building plant, for the purpose of complying with the request or demand of the agencies of the Government above mentioned in the manner aforesaid: *Provided further*, That nothing in this act shall be held or construed to delay or excuse prompt settlement of any claims that can be settled under existing law.

The following committee amendment was read:

Strike out all after the enacting clause and insert the following: "That the United States Shipping Board be, and it is hereby, authorized and directed to investigate, adjust, liquidate, and pay the claims of individuals, firms, or corporations who built or contracted to build wooden ships for the United States, the United States Shipping Board, or the United States Shipping Board Emergency Fleet Corporation after April 6, 1917; and said board shall adjust and liquidate each claim upon such terms as it shall determine from the facts in the case to be just and equitable, and may take into consideration, among other things, the conditions under which the contracts were entered into and the conditions under which the work was performed; and its decision shall be deemed conclusive and final, except as herein otherwise provided: *Provided*, That no claim shall be liquidated or paid unless it is alleged and found to be based upon a request or demand of the United States Shipping Board, the United States Shipping Board Emergency Fleet Corporation, or some officer or agent acting under the authority, direction, or instruction of said board or corporation, or either of them: *Provided further*, That no claim shall be liquidated or paid unless it is alleged such claims as shall be made hereunder and filed with the board within three months from and after the date when this act shall become a law: *And provided further*, That no claims shall be allowed and paid by said board unless it shall appear to its satisfaction that the expenditures made or obligations incurred by the claimant were made in good faith and upon assurances by the United States Shipping Board, the United States Shipping Board Emergency Fleet Corporation, or some officer or agent acting under the authority, direction, or instruction of said board or corporation, or either of them, that reimbursement would be provided for in money or contracts for additional work: *And provided further*, That no such claim shall be paid unless it shall appear to the satisfaction of said board that moneys were invested or obligations incurred subsequent to April 6, 1917, in a proper and legitimate attempt to produce ships for the needs of the Nation in connection with the prosecution of the war; and that no profits of any kind shall be included in the allowance of any of

such claims, except upon completed ships or on ships partly constructed: *Provided*, That on ships partly constructed only such profits may be allowed on that part of the work of construction actually done at the time of the cancellation of contracts, or on work done thereafter on ships not canceled, as in the judgment of the Shipping Board are warranted by all the facts in the case; and that no investment for merely speculative purposes, or where under the facts it could not have been reasonably expected that ships would be built, shall be recognized in any manner by said board: *And provided further*, That the settlement of any claim arising under the provisions of this section shall not bar the United States Government, through any of its duly authorized agencies, or any committee of Congress hereafter duly appointed, from the right of review of such settlement, nor the right of the United States Shipping Board or the United States Shipping Board Emergency Fleet Corporation to recover any money paid by the Government to any party under and by virtue of the provisions of this section, if such settlement is affected by fraud or mistake of fact; and the right of recovery in all such cases shall extend against the executors, administrators, trustees in bankruptcy, heirs, assigns, and successors, whether by operation of law, consolidation, sale, or otherwise of any claimant or claimants.

"A report of all proceedings under this section, including receipts and disbursements, shall be made to the Congress on the first Monday in December of each year.

"Sec. 2. That whenever the amount found to be due any claimant under the provisions of this act shall be unsatisfactory to the claimant, the claimant, within 90 days after the making of any such allowance or award, shall be entitled to reject such award and sue the United States to recover such sum as may be justly due under the terms and provisions of this act in the manner provided by section 24, paragraph 20, and section 145 of the Judicial Code, and the amount so determined by said court shall be paid by the United States Shipping Board in the same manner as awards made by the said board under section 1 of this act.

"Sec. 3. That in determining the amount due any claimant the Shipping Board shall, among other things, take into consideration and charge to the claimant the then market value of any shipbuilding plant, lumber, or materials on hand belonging to the claimant used in the construction or acquired to be used in the construction of any wooden ship or shipbuilding plant, and also the salvage or usable value of any machinery or other appliances which were purchased to equip any wooden ship or shipbuilding plant."

Mr. GREENE of Massachusetts. Mr. Chairman, this bill which is brought before you to-day for consideration—

Mr. BLANTON. Mr. Chairman, will the gentleman yield? I want to find out about the time.

The CHAIRMAN. There are two hours of debate.

Mr. BLANTON. Who is to control the time?

Mr. GREENE of Massachusetts. The ranking member on the minority side and myself.

Mr. BLANTON. We ought to have some understanding about it.

The CHAIRMAN. Is there any member of the committee opposed to the bill?

Mr. DAVIS of Tennessee. I am opposed to the bill.

The CHAIRMAN. The time will be controlled, then, one half by the gentleman from Massachusetts [Mr. GREENE] and the other half by the gentleman from Tennessee [Mr. DAVIS].

Mr. GREENE of Massachusetts. The senior minority member is the gentleman from Texas, Mr. HARDY. I suppose he will be here. The bill was reported, as I supposed, unanimously.

Mr. DAVIS of Tennessee. The gentleman is in error about that. I opposed the bill, but, of course, if Judge HARDY or any senior member of the minority desires to control the time on this side he will be entitled to it if he is here to claim that right.

Mr. GREENE of Massachusetts. I have no objection to Mr. DAVIS controlling the time in opposition. Mr. Chairman, this bill was made necessary because it was found that the Shipping Board had not sufficient authority to settle the claims of wooden-ship builders, who claimed that they were entitled to remuneration because of their being deprived of the opportunity to complete the contracts that had been awarded to them by the Shipping Board.

Before the war broke out we had no shipbuilders practically in this country and very few private shipyards. The shipping act provided for the construction of vessels, and when the war broke out provision was made to construct these vessels for use during the war and also to use for the purpose of building up a merchant marine.

A large number of wooden-ship yards were created, because it was thought that they could build ships much more readily than to postpone construction, with the delay that might ensue if it became necessary to provide contracts and complete plans for construction of vessels of iron and steel, and it was believed that wooden ships were very much in demand and could be more readily constructed. A great number of shipyards were distributed through the Southern States, where there was an ample amount of timber suitable for the construction of wooden vessels, and a number on the eastern coasts, where was located the former shipbuilding plants, in order that they might rush the work of building these ships for use either in the war or in peace.

It was necessary, of course, to instruct a great many people in the construction of ships.



Mr. MONTAGUE. Will the gentleman yield?

Mr. GREENE of Massachusetts. Certainly.

Mr. MONTAGUE. I understood the gentleman to give only two locations where these shipyards were located—in the South and in the East. Were there not some in the West, in Washington?

Mr. GREENE of Massachusetts. Yes; but there was no great amount of shipbuilding in this country until the war seemed imminent. On the western coast, where there were also an abundance of timber and some experienced shipbuilders, contracts were entered into for the construction of wooden ships. When the armistice was signed work was stopped under orders from the Shipping Board. Men who had contracts were told that they must cease work upon the contracts. Shortly afterwards I understood they were told to go ahead and complete contracts that were incomplete. The contractors went to work again, and after a short time they were suddenly stopped, because they were informed that no more wooden ships would be needed, and then the claims for damages began to arise.

In some cases these claims were settled by the Shipping Board, they supposing that as they had authority to make the contracts they had the authority to adjust the claims. Some 70 claims were adjusted, and then on examination into the matter they found that they had not the authority to settle these cases. Consequently the representatives of the Shipping Board came to the Committee on the Merchant Marine and Fisheries in the House and to the Commerce Committee of the Senate and sought to provide some law by which these cases could be heard or to provide some law by which they would have authority to act in the settlement or adjustment of the pending claims.

Mr. MILLER. Will the gentleman yield?

Mr. GREENE of Massachusetts. Yes.

Mr. MILLER. In many cases the ships were partially constructed and in a great many other cases timber was ordered and assembled at the plant for the fabrication of the ships according to the type.

Mr. GREENE of Massachusetts. Yes; according to the contracts made by the Shipping Board.

Mr. MILLER. According to the peculiar type of the vessel which the Shipping Board had adopted.

Mr. GREENE of Massachusetts. Yes; and the funds that the Shipping Board had at their control were used in the construction of these ships. Then when they came to adjust the claims for these uncompleted ships and ships that had not been begun, it was found that they did not have authority under the law to adjust these claims.

Mr. CANNON. Will the gentleman yield?

Mr. GREENE of Massachusetts. Yes.

Mr. CANNON. I have been so busy with other matters that I have not had time to read the bill. I see that it is a Senate bill.

Mr. GREENE of Massachusetts. It is a Senate bill, but we struck out all after the enacting clause and proceeded to construct a bill embodying the views of the committee, presenting the bill which is now under consideration.

Mr. CANNON. There is so much to know about unscrambling eggs to meet our legal obligations that I think no single Member of Congress can get outside of all of it, and frankly I am not outside of this.

I would like to ask the gentleman, did the Shipping Board have statutory authority to build these ships?

Mr. GREENE of Massachusetts. They did.

Mr. CANNON. There is no question raised about that?

Mr. GREENE of Massachusetts. Not at all.

Mr. CANNON. And they made the contracts which were made, hastily, of course—

Mr. GREENE of Massachusetts. Yes.

Mr. CANNON. But legally made?

Mr. GREENE of Massachusetts. Legally made; but they were made hastily, with incomplete plans, and sometimes they changed the plans. They had plans completed and after they made the contract they changed their ideas relative to the construction of the ships. Of course, it was practically beginning a new business when we commenced to do shipbuilding under Government control.

Mr. CANNON. Well, at any time in the execution of these contracts, which the gentleman says were legal, did the Shipping Board exceed their statutory authority?

Mr. GREENE of Massachusetts. Why, I do not think they did, unless they did it in the adjustment of some 70 accounts.

Mr. CANNON. I am not speaking of adjustments. I have just hastily hop-skipped in reading this bill—

Mr. GREENE of Massachusetts. No; there was full authority given them under the bill to construct ships which was

enacted into law by the Congress, and the cry was from all over the country, "Build ships! Build ships!" because everybody believed that ships were a necessity.

Mr. CANNON. Have these claims that were adjusted been paid?

Mr. GREENE of Massachusetts. I can not tell the gentleman about that. I presume they were paid. They had the funds and they believed they had the jurisdiction to carry out to completion.

Mr. CANNON. Has the gentleman any information as to the amount they adjusted? Mr. Alexander was the chairman of the committee at that time and I was at that time a minority member of the committee.

Mr. GREENE of Massachusetts. Well, if the gentleman wants the amount covered by this bill—

Mr. CANNON. I see about \$15,000,000 is the probable amount that this bill would authorize.

Mr. GREENE of Massachusetts. Yes.

Mr. CANNON. And how much has been paid, if the gentleman knows?

Mr. GREENE of Massachusetts. The money provided for the Shipping Board was provided in bills prepared by the Committee on Appropriations. All contracts were canceled, and work was stopped on the partially completed ships, and the amount claimed to have been saved to the United States by this change in policy was estimated to be between \$125,000,000 and \$130,000,000.

Mr. CANNON. Yes.

Mr. GREENE of Massachusetts. I do not think any estimate of that expense was given, but the fact was that it was discovered that the Shipping Board has been adjusting some accounts and that they had not authority, and so they came to the committees of the Senate and House for authority to make final adjustments.

Mr. CANNON. An inquiry from the Shipping Board or the Treasury would develop how much has been paid?

Mr. GREENE of Massachusetts. I think so.

Mr. CANNON. Without authority; but they believed they had the authority?

Mr. GREENE of Massachusetts. They believed they had the authority.

Mr. CHINDBLOM. Mr. Chairman, if the gentleman will yield, perhaps I can say to my colleague from Illinois, if I may, that these settlements were made by the Shipping Board until Judge Payne, of Chicago, became the head of the Shipping Board. He viewed the matter from a strictly legal standpoint and made the point that there was some question about the authority of the board to go ahead and make these settlements without specific authority from Congress, and he stated to the committee in the hearings very frankly, as I recall, that he thought it better not to continue to make settlements but to go to Congress for authority rather than to continue making them.

Mr. CANNON. What amount was settled and paid? Has the gentleman any information about that?

Mr. CHINDBLOM. My recollection is 70 claims or thereabouts were adjusted, and none of them for a very large amount.

Mr. CANNON. There are some figures in the report that \$15,000,000 would probably—

Mr. GREENE of Massachusetts. That was the estimate of the Shipping Board, as I understand.

Mr. CANNON. That is the estimate of the Shipping Board?

Mr. CAMPBELL of Kansas. If the gentleman will permit—from \$15,000,000 to \$25,000,000.

Mr. GREENE of Massachusetts. It may run to \$25,000,000. I would not be surprised if it should so appear.

Mr. DAVIS of Tennessee. Will the gentleman yield?

Mr. GREENE of Massachusetts. I will.

Mr. DAVIS of Tennessee. Do I understand that is the estimate of the Shipping Board?

Mr. GREENE of Massachusetts. I understood so; yes. That is what they thought would be expended under the bill.

Mr. DAVIS of Tennessee. I understood they declined to make any estimate but thought—

Mr. GREENE of Massachusetts. Not exactly an estimate.

Mr. DAVIS of Tennessee. Mr. Fahey gave that as an estimate but Mr.—

Mr. GREENE of Massachusetts. Mr. Fahey would not be likely to make any larger estimate than he believed necessary to adjust these claims.

Mr. BANKHEAD. If the gentleman will permit, I think the figure of the estimate of Mr. Fahey was \$17,000,000.

Mr. MILLER. The money is available. There is no question about the Shipping Board having it available.

Mr. GREENE of Massachusetts. They have the funds on hand.

Mr. MILLER. And the question is the legal authority to use it?

Mr. GREENE of Massachusetts. They have the funds and there will be no money called from the Treasury. There is money in the Treasury to the credit of the Shipping Board that will pay all the bills coming from this bill and there will be no need of an appropriation from the Treasury to meet the probable requirements under the bill.

Mr. BEE. If the gentleman will yield, the effect of this bill will be to confer upon the department the legal authority to settle these just claims wherein they are just, and the money is now available; that is all.

Mr. GREENE of Massachusetts. That is it exactly.

Mr. WALSH. Will the gentleman yield?

Mr. GREENE of Massachusetts. Yes.

Mr. WALSH. Is it not a fact that the chairman of the Shipping Board, who caused the change of policy with reference to the settlement of these claims, after he had stopped settling upon the basis which had formerly been used, was willing to go ahead and resume settlement provided he could get a resolution from the two committees of the House and Senate?

Mr. GREENE of Massachusetts. Oh, no.

Mr. WALSH. Did not he ask—

Mr. GREENE of Massachusetts. He may have asked them first to pass a resolution, but the committee did not think they should do that.

Mr. WALSH. But if he got a resolution, he intended to resume settlement?

Mr. GREENE of Massachusetts. He might have believed that would throw the responsibility on Congress, but I did not think the committee thought that it would require congressional action. Of course, this matter has been lying quiet awhile, because I have not had the opportunity to call this bill up by reason of delay from time to time. If there are any other questions, I shall be glad to answer them now or at any time. If not, I shall ask the gentleman from Tennessee if he would like to occupy any time now?

Mr. DAVIS of Tennessee. Yes.

#### MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. SCOTT having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Dudley, its enrolling clerk, announced that the Senate had passed with amendments the bill (H. R. 13416) making appropriations for the payment of invalid and other pensions of the United States for the fiscal year ending June 30, 1921, in which the concurrence of the House of Representatives was requested.

The message also announced that the Senate had requested a conference with the House of Representatives on the amendments of the Senate to the bill (H. R. 13587) making appropriations for the support of the Army for the fiscal year ending June 30, 1921, and for other purposes, and had appointed Mr. WADSWORTH, Mr. FRELINGHUYSEN, Mr. NEW, Mr. CHAMBERLAIN, and Mr. THOMAS as the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 4411. An act granting the consent of Congress to the counties of Pembina, N. Dak., and Kittson, Minn., to construct a bridge across the Red River of the North at or near the city of Pembina, N. Dak.;

S. 4427. An act granting the consent of Congress to the city of Columbus, in the State of Georgia, to construct a bridge across the Chattahoochee River;

S. 4431. An act authorizing the construction of a bridge across the Rock River in Lee County, Ill., at or near the city of Dixon, in said county; and

S. 4402. An act granting the consent of Congress to Troup County, Ga., and Chambers County, Ala., to construct a bridge across the Chattahoochee River on the boundary line between the said States.

#### PAYMENT OF CLAIMS TO THE WOODEN-SHIP BUILDERS.

The committee resumed its session.

The CHAIRMAN. The gentleman from Tennessee is recognized for one hour.

Mr. GREENE of Massachusetts. I reserve the balance of my time.

The CHAIRMAN. The gentleman from Massachusetts reserves 45 minutes of his time.

Mr. DAVIS of Tennessee. Mr. Chairman and gentlemen of the committee, I regret exceedingly that I am unable to agree

with my colleagues on the Committee on Merchant Marine and Fisheries, which reported out this bill. I have the very highest regard and most profound respect for each and every one of them. I accord each and every one of them entire honesty of purpose, and I have worried considerably over this matter in an effort to so become reconciled to the bill that I would not feel impelled to oppose it. But after studying it assiduously, and having read and reread the hearings, and having considered it from every standpoint, I can not do otherwise than to enter my feeble protest against the passage of the bill, especially in its present form, even though in so doing I go counter to the views of all my colleagues on the committee. I do not delude myself into the belief that I will be able to prevent its passage. But I deem it my duty to express my views, feeble though they may be, with regard to this measure.

It is an extraordinary bill in that it provides for the payment of the public money, not in accordance with contracts either express or implied, but it is designed to allow the payment of the public money beyond any contracts or legal obligations. In other words, this bill proposes a payment of a vast sum of money which these contractors could not possibly recover in any court of the land.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. CHINDBLOM. Then the gentleman would take the same view with reference to other bills which have become laws and which have been passed by this and the preceding Congress, where equitable claims which could not be enforced in the courts of the land have been recognized and ordered paid? Is not that so?

Mr. DAVIS of Tennessee. I do not consider that this bill is analogous to the bills the gentleman refers to. For instance, you take the Dent bill, to which I presume you refer, and how does that read:

*Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to adjust, pay, or discharge any agreement, express or implied, upon a fair and equitable basis—*

And so forth.

That bill was predicated directly upon an agreement, and it was simply a recognition of what might be proven to have been oral contracts. But the bill now in question goes beyond that. It is admitted that the Shipping Board has been willing, and is now willing, to settle all of those claims according to the legal rights of the parties involved.

Mr. HARDY of Texas. Will the gentleman yield right there?

Mr. DAVIS of Tennessee. I will.

Mr. HARDY of Texas. The language quoted from the bill referred to is "any agreement, express or implied." That certainly implies they were not settling those claims by written agreement, does it not, but they were going outside?

Mr. DAVIS of Tennessee. I say the purpose of the Dent bill was to recognize oral contracts.

Mr. HARDY of Texas. And also agreements expressed or implied. It was to recognize equitable claims, was it not?

Mr. DAVIS of Tennessee. In a sense, when based upon an implied contract, and yet I insist that the bill under consideration goes beyond that.

Mr. BANKHEAD. Will my colleague from Tennessee yield for a brief question in that connection?

Mr. DAVIS of Tennessee. Yes.

Mr. BANKHEAD. I call the gentleman's attention to the following language in the pending bill, in connection with the gentleman's argument:

*That the United States Shipping Board be, and it is hereby, authorized and directed to investigate, adjust, liquidate, and pay the claims of individuals, firms, or corporations who built or contracted to build wooden ships for the United States—*

And so forth; limiting the adjustment of either to the work that was actually done by these parties or which was contracted to be done under the authority of the Shipping Board.

Mr. DAVIS of Tennessee. I want to ask the gentleman if he does not understand that the primary purpose of this bill is in order that the Government will be authorized to pay these contractors for their shipyards?

Mr. BANKHEAD. I think so, yes; under proper limitations and construction of—

Mr. DAVIS of Tennessee. If the gentleman will permit me, I would like to be permitted to make a statement before I yield further.

Now, on that question, Judge Payne was the chairman of this Shipping Board, and he testified before both the Senate and the House committees in regard to the purposes of the bill, and the controversy between the contractors and the Government through the Shipping Board. I presume that it is conceded that he is good authority, and I do not think his statement will be controverted. Now, here is what he says about it.



Mr. CHINDBLOM. Where is that?

Mr. DAVIS of Tennessee. I read from page 5 of the hearings before the Senate Committee on Commerce.

Mr. BEE. Whose testimony?

Mr. DAVIS of Tennessee. John Barton Payne's. He was chairman of the Shipping Board. He says:

The question, therefore, which presents itself to us as to the payment of damages, or compensation, divides itself into three classes—all of these gentlemen having contracts which fixed a definite contract price—First is the question of work they have done and the material they have furnished.

Second, the legal damages which result under the contract on account of cancellation of the contract.

As to those two questions, there is no legal difficulty. It is simply a question of agreeing between the shipbuilders and the Shipping Board on the amount to be paid.

The controversial question is the third, and that is the payment to them of a sum of money which would make them whole by the Government's absorbing the cost of their yards. As to that, it has seemed to me that we had no right to deal with it; that was a matter which Congress alone had the power to arrange; that the Shipping Board was limited as a matter of law to the legal damages which grew out of the cancellation of the contracts.

Again, on pages 64 and 65 of the House hearings Judge Payne says:

The principle, I thought, was quite simple, that after paying the man for work under the contract for all work and materials furnished then we got to the question of the damages growing out of the cancellation of the contract. Now, those damages, it seems to me, were to be determined by the rules of law applicable to contracts, and that that did not embrace these general claims which are illustrated by the word "amortization"; in other words, to give to them the cost of their yards. In that is where I think the line must be drawn.

In discussing this question before the Committee on Commerce, as recorded on page 12 of the hearings, Judge Payne again said:

Senator KIRBY. When Judge Payne continues his testimony I would like it to appear whether only such men as those who had contracts or thought they had contracts with some such provision as that in them are making claims against the Government for compensation which this bill is expected to give them a remedy for?

Mr. PAYNE. No, Senator; that is not the question, as I see it, at all. The point made by Mr. Fahey is—well, the point mentioned by him as to the district managers, as I understand it, involves the carrying out of the made contract.

Senator KIRBY. Yes.

Mr. PAYNE. That did not involve original commitments by the Shipping Board to the shipbuilder. The point you are concerned in is that men are to get something to make them whole, which is not covered by any form of contract, written or otherwise, but was due to their enthusiasm in going forward and incurring a larger investment than the contract warranted.

On page 35 of the House hearings Mr. Fahey, who took a more active interest before the committees than any other representative of the contractors, concedes that the Shipping Board was willing to settle with them according to the legal rights of the contractors and of the Government, and, as has already been stated by the chairman of the committee, there have been some 70 contractors, I believe, who have already been settled with.

Mr. BEE. Will the gentleman from Tennessee yield right there?

Mr. DAVIS of Tennessee. For a question.

Mr. BEE. Is it not true that up to the time that Mr. Payne came upon the board the claims were being settled; that the reason for this resolution now is because Mr. Payne thinks Congress ought to give the authority before they go ahead, and not because of any objection on his part?

Mr. DAVIS of Tennessee. It is a fact that there was some controversy between Judge Payne and other members of the board as to whether or not the board should settle according to contract and legal rights or whether they should just go along and settle without regard to contractual and legal rights. I think that all the lawyers on the committee which reported out the pending bill agree that Judge Payne was correct in his construction and contention. Judge Payne is a very able lawyer. Some of the members on the Shipping Board were not lawyers.

Mr. HARDY of Texas. Mr. Chairman, will the gentleman yield right at that point?

Mr. DAVIS of Tennessee. Yes.

Mr. HARDY of Texas. As I understand it, as Judge Payne presented it, it was that under the law as it existed he doubted if the board had authority to deal justly under this third provision. He said the third question was, as read by the gentleman a moment ago, to make them whole by the Government absorbing the cost of their yards: "As to that it has seemed to me that we had no right to deal with it." The chairman of the Shipping Board thought that involved a function and a power that the board was not clothed with, and that that was a matter necessarily for Congress.

Mr. DAVIS of Tennessee. Yes; and he declined to advise the committee as to what action they should take in that regard, as I remember.

Mr. HARDY of Texas. Unquestionably the chairman of the Shipping Board said, "Gentlemen, that is a question of equity that addresses itself to Congress, and as an official of the Shipping Board I do not wish to advise."

Mr. MONTAGUE. Mr. Chairman, will the gentleman yield there?

Mr. HARDY of Texas. Certainly.

Mr. MONTAGUE. The question with Judge Payne, then, was a lack of authority?

Mr. HARDY of Texas. The lack of authority, under the law, to pass upon the question.

Mr. DAVIS of Tennessee. A good deal has been said, and no doubt will be said, about the patriotism of these contractors, that they threw themselves into the breach through patriotic motives, and all that sort of business.

Judge Payne said in his testimony—I can not turn to it right now—that the Shipping Board was besieged with these contractors wanting these contracts, and a controversy arose, as many of you remember, as to whether we should enter upon the wooden-ship building program. As you will remember, there was a very considerable difference of opinion between Gen. Goethals and Mr. Denman. Mr. Payne states, and it is otherwise shown, that during that time these wooden-ship contractors and prospective contractors did a great deal of lobbying in an effort to get this Government to engage in this program which had been proposed, and I have been told by numerous Members of Congress that they were from time to time besieged by these would-be contractors from their districts, who were asking them to get some of these contracts for them. Be that as it may, I believe that we, as representatives of the people, ought to deal with the public money just as we deal with our own money or as if we were an attorney representing a client. I believe that we should be just to the taxpayers before we are generous to these contractors, or any class of citizens, especially when our Government is deeply in debt, is facing a large deficit, and the people are groaning under the burdens of taxation. Are you never going to halt this mad, wild orgy of squandering the people's money? Can not we pause for a moment and think of the folks back home, who pay all these enormous appropriations, and whom we are supposed to represent?

These contractors undoubtedly entered into these contracts with a view to making money, which was all right. I am not criticizing them one particle for that. It is undoubtedly true that many of them came out "in the hole," to use a slang expression, and that was largely due to the fact that the war ended before anybody expected that it would end. That is true. We all concede that.

Now, what is the basis of this bill? What is the gist of the proposition? It is simply this: The Government entered into contracts with these various contractors for a specific number of ships to be constructed, 2 or 4 or 6 or 8 or 10, as the case might be. They never entered into a contract for more than 10 at a time.

Some of the contractors with whom these contracts were made already had their shipyards. Others did not have them, and, of course, had to construct them. These contracts were all written. There were two classes. One class was what was known as the lump-sum contract. That was the first kind, and it soon developed that both the Government and the contractors had underestimated the probable cost, and the Government generously and magnanimously relieved all of them from those contracts who asked to be relieved.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield? The CHAIRMAN. Does the gentleman from Tennessee yield to the gentleman from Illinois?

Mr. DAVIS of Tennessee. I yield for a question.

Mr. CHINDBLOM. The gentleman just said that some of the contractors had shipyards and others did not have shipyards.

Mr. DAVIS of Tennessee. Yes.

Mr. CHINDBLOM. The gentleman will recall that in some cases the Government advanced the money for the establishment and building of the shipyards to the contractors, and in other cases the contractors themselves advanced the money?

Mr. DAVIS of Tennessee. That is true.

Mr. CHINDBLOM. Does the gentleman think it is fair that the men who themselves advanced the money for the shipyards should be put in a less advantageous position than those who were forehanded enough to get the money in advance from the Government?

Mr. DAVIS of Tennessee. I do not think any difficulty has resulted from that situation. It is immaterial as to where they got the money, whether they had it or borrowed it from a bank or from the Government.

Mr. CHINDBLOM. The Government is not recovering any of the money advanced for the building of those ways.

Mr. DAVIS of Tennessee. I do not know about that. I think it should, where it is possible to do so.

Mr. CHINDBLOM. It was done under the contract which the Government has made, that the Government would advance the money.

Mr. DAVIS of Tennessee. Certainly; and in that manner the Government not only made a contract under which the contractors expected to make a profit but advanced to them money with which to operate, and I think that was a favor rather than doing them an injury.

There was another class of contracts known as the cost-plus contract, in which it was provided that they were to make \$15,000 profit on each ship, and they were settled with on that basis wherever they had completed the ships and where they had partly completed them and were willing to settle on that basis when there had been a cancellation of the contract. In that class of contracts it was expressly provided that a portion of that would be net profit and a portion of it should go into the amortization of the shipways and plants. It was taken into consideration in that way.

Whenever they went along and completed the ships the Government settled with them without question, and they were generally given other contracts where they were able to take care of them. It went on in that way until the war terminated, and then the Government began canceling these contracts.

I heartily approve of the Government settling with all of them according to their legal rights, giving them all the damages to which they would be entitled in any court in case of cancellation of contracts, and, as I have before shown, there is not any difficulty in cases of that kind. They have already been settling them in that way and are still willing to settle them in that way. These contracts, most of them at least, made no provision whatever for the Government paying for these plants in which the ships were to be constructed and were constructed.

These men say they were given assurances by Tom, Dick, and Harry, connected with the Shipping Board, that they would be given more contracts and more contracts and sufficient contracts so that they would come out all right; but the fact remains that the Government cautiously and properly only made contracts for a certain number of ships at a time, and though some of these men constructed enough ships to come out all right, others practically had not constructed any. But the point I am making is that when they had entered into that proposition, when they entered into those contracts, they took their chances. Their case is just like that of any other contractor who contracts to construct a building, or a ship, or anything else. He takes his chances on unforeseen circumstances. These contractors knew just as well as the Government knew as to when this war would terminate. They knew that these wooden ships were being constructed solely because of the emergency and were useful for war purposes only. They did not have any right to depend upon any belief or general vague assurance from anybody that the war would continue, or that the Government would continue to give them contracts.

Mr. BEE. I do not want to interrupt the gentleman from Tennessee unduly, but will the gentleman yield and let me ask him a question to see if I understand this thing?

Mr. DAVIS of Tennessee. I yield to the gentleman from Texas.

Mr. BEE. I understand that 70 contracts had been settled before Judge Payne raised the objection by the Shipping Board. Is that correct?

Mr. DAVIS of Tennessee. No; all of those were not settled before then.

Mr. BEE. I understood the gentleman from Massachusetts [Mr. GREENE] to say that prior to the time Judge Payne raised the question of the legal authority to act about 70 contracts had been settled.

Mr. DAVIS of Tennessee. I understand that some of them have been settled on up until comparatively recently, and I think Judge Payne mentioned the fact that—

Mr. BEE. Will the gentleman yield for another question?

Mr. DAVIS of Tennessee. I will have to decline to yield, because my time is fast flying. On that point, Mr. Stevens, vice chairman of the board, said that there is no record of any authority having been given by the Shipping Board, or of anybody having been authorized to tell these different contractors that they would be given more contracts than were actually given them in writing.

There is one other matter to which I wish to call your attention before I take my seat, and that is the question as to what it will cost the Government if we pass this bill. Our

chairman referred to that matter. I think the hearings will show that the members of the board expressly declined to give any opinion, because they said they did not know, and nobody else knows; but here is some testimony on the subject. Mr. Fahey was before the committee, and Mr. EDMONDS, a member of the committee, asked him this question:

You think that \$25,000,000 as an outside would pay for all these plants and pay all we need to pay? Would we be fair to say on the floor that we know it will not exceed between \$15,000,000 and \$25,000,000—it will not exceed that?

Mr. Fahey—he was one of the contractors—replied:

If you ask me, I would say "yes." Now, that information is based on what I know of the settlements that have been made, and what the people in Philadelphia say out of their experience.

Then, Mr. E. W. Wright, who was another contractor there before the committee urging the passage of this bill, spoke up and said:

I do not think \$15,000,000 will come anywhere near it. I do not think \$15,000,000 will pay the northwest claims.

No man knows what this is going to cost the Government.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. DAVIS of Tennessee. I yield to the gentleman from Illinois.

Mr. CHINDBLOM. Is it not a fact that Mr. Fahey appeared for all of these claims, while Mr. Wright was there only for himself?

Mr. DAVIS of Tennessee. I do not know as to that, but Mr. Wright was from the Northwest, and I presume he would not have made such a statement contrary to his own interest, if there had not been some basis for it.

Mr. MANN of Illinois. Mr. Wright, representing a certain section, thought that \$15,000,000 would not cover the claims of that section?

Mr. DAVIS of Tennessee. Yes.

Mr. MANN of Illinois. And that was only a small part of the total claims?

Mr. DAVIS of Tennessee. Yes.

Mr. MANN of Illinois. And the other gentlemen were trying to get a bill passed?

Mr. DAVIS of Tennessee. Yes; and showed very great interest in getting it passed, all the way through.

Now, gentlemen, as I say, I think we are making a mistake, and I hope to have time to discuss some of the features of the bill under the five-minute rule. Even granting that the principle is correct, and that we ought to embark upon this proposition, I do not think that the bill sufficiently protects the interests of the Government, and I shall refer to that possibly and offer some amendments later on. But one thing is certain, that there is not even any provision for the Government to be represented by counsel in these claims, and we may rest assured that the contractors will be well represented in that regard. They are given the right to go into court and sue if they are dissatisfied with the findings of the Shipping Board, and yet this bill refuses to grant any appeal to the Government in the event that it should be dissatisfied with an award made by the board. And there are numerous other features of the bill which I think do not afford sufficient protection to the interests of the Government.

Mr. MANN of Illinois. Will the gentleman yield for one question?

Mr. DAVIS of Tennessee. Yes; I yield.

Mr. MANN of Illinois. The Senate bill, which passed the Senate, seems to have some provisions in it endeavoring to guard the interests of the Government. I notice that the House committee proposes to strike out all of the Senate bill and to insert a House amendment which it seems to me does not have any provisions guarding the interests of the Government. Will the gentleman give his viewpoint as to the difference between the Senate bill and the House bill, very briefly?

Mr. DAVIS of Tennessee. I think the conclusion stated by the gentleman from Illinois is largely correct. In some particulars, I think, the House bill is an improvement on the Senate bill. In other respects I think it is just the reverse, and as stated by the gentleman, I think some provisions that were embodied in the Senate bill have been eliminated from the bill as now reported.

I reserve the remainder of my time.

The CHAIRMAN. The gentleman has consumed 28 minutes and has 32 minutes remaining.

Mr. DAVIS of Tennessee. Mr. Chairman, would the gentleman from Massachusetts like to have me use some more of my time, or would he like to yield some time?

Mr. GREENE of Massachusetts. If the gentleman would like to use some more time now, he can do so.

Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. EDMONDS].



Mr. EDMONDS. Mr. Chairman, in the first place I desire to call the attention of the committee to the amount of money involved in the settlement of these claims.

Mr. CULLEN. Mr. Chairman, will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. CULLEN. Will not the gentleman kindly explain to the House the purpose of the bill? I think if the Members understand thoroughly what the purpose of the bill is they will agree with the proposition in the final analysis.

Mr. EDMONDS. I will do that.

Mr. CULLEN. This bill is simply an honest bill to allow the Shipping Board in their discretion to adjust these claims. I would like to have the gentleman explain that to the House.

Mr. EDMONDS. Mr. Chairman, I want first to call the attention of the committee to the amount of money involved and how it is divided up. As Judge DAVIS has explained, there are two or three different kinds of claims against the Shipping Board. I think he mentioned three of them. Two of them can be settled to-day by the Shipping Board under the present law. The amount involved was stated before the Committee on Appropriations, in the sundry civil appropriation bill for 1920, to be \$69,000,000. This undoubtedly included the amount to be paid in reimbursement for building shipyards. The probabilities are that they can settle to-day under this \$40,000,000 of these claims, and will have to settle them legally. The only thing in controversy is, are you going to pay the original investment made by these men in shipyards, on account of not giving them the amount of business you originally promised to give them? The amount of money involved in the cancellation of the wooden ships was \$193,000,000. It was considered good policy by the Shipping Board to cancel these contracts.

Mr. EVANS of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. EDMONDS. Not now. It was considered good policy to cancel these contracts for \$193,000,000, even if it did cost \$69,000,000 to do so, and I agree with them, because you know and I know that the wooden ships have not been successful. Every ship that we sell to-day we sell at a great loss. Their performance has not been good. You who were here when the war started will remember that we wanted ships, that there was a great controversy between Mr. Denman and Mr. Goethals and a few others in the Shipping Board as to whether they would build wooden ships or steel ships. It was afterwards decided that we needed both kinds, and the Shipping Board went ahead and made contracts for both kinds of ships. They made contracts with such existent wooden yards as there were. They also made contracts with different groups of citizens at advantageous points, where there was lumber or material with which to build the ships.

Mr. CLEARY. Mr. Chairman, will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. CLEARY. And is it not also a fact that in places where there never was a shipyard, where there was no lumber, people did start the building of ships, such as on Long Island and away up the Hudson River?

Mr. EDMONDS. There is no question about that.

Mr. CLEARY. And they went to great expense and accumulated plants that they never could use.

Mr. EDMONDS. There is no question about that. The Shipping Board then sent out representatives to different sections of the country. These men gathered together in the different cities groups of citizens, in a great many cases men who did not know anything about shipbuilding. There may have been a promoter in between, I do not know; there may have been some man who did know how to build ships, who was a ship engineer, or who had some idea of how to build wooden ships, who came down here and said to the Shipping Board, "I will go and get a group of citizens in Richmond, Va.," as was done, or in Seattle, and so forth. Mr. Brent, I think, of the Shipping Board, personally went before the Richmond people and asked them to go ahead and build the ships, stating that it was their patriotic duty to build these ships; that the Government must have them. The result of that operation was that there were 77 wooden shipyards with 336 ways built, or already constructed, and 18 wooden tug yards with 84 ways and 9 wooden barge yards with 22 ways. These men went ahead and built under the promise—under the statement; it was not a promise, because it is not binding—from the Shipping Board that sufficient contracts would be made with them to cover the original investment. It is an implied promise by an official of the Government. It seemed to me that while it might not look advisable at the present time, yet at the same time it is reasonable to suppose that men would act in that manner when they needed ships so badly. These men invested their money. They built the ship-

yards. They were given a contract, in most cases, for four ships, with a promise that if they were sufficiently expeditious in building those four ships they would get four more, and so on until they got enough ships to make the operation pay. The salaries were all paid by the Government, of course, in most of these yards and all expenses were paid by the Government. It was simply another case of know how, the same as in Hog Island. These men who made the investment did not know how.

Mr. OLIVER. Were these contracts in writing or oral?

Mr. EDMONDS. Most of them were oral contracts.

Mr. BEE. Mr. Chairman, will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. BEE. Is not this the situation, that the Shipping Board settled about 70 of these cases until Mr. Payne came upon the board? When Mr. Payne came upon the board he doubted the legal authority of the Shipping Board to proceed, but not the justice of the claims, and he suggested that Congress give them the authority to do with the rest of the contracts as had been done with the other 70.

Mr. EDMONDS. Mr. Hurley originated the plan for settling these shipbuilding contracts, and Mr. Payne continued it until October. In October Mr. Payne doubted his authority to settle these contracts—not the portion of the contract that was legal, which Judge DAVIS called attention to, but the question of the claim that was made by these men for an entire return of the capital invested.

Mr. RAKER. Mr. Chairman, will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. RAKER. On page 2 of the report it is stated how this matter started with the shipbuilders. Would the gentleman tell the committee whether or not the shipbuilders entered into a written contract with these various boards before they proceeded to build these wooden ships?

Mr. EDMONDS. In some cases the yards were started and were proceeding for some time before the contracts were closed, but eventually they all closed the contracts.

Mr. RAKER. In practically every case?

Mr. EDMONDS. I think in every case. I do not know any that that is not true of. I think there was no yard that did not have a contract.

Mr. SNELL. How many more claims are there against the Government?

Mr. EDMONDS. I think probably there will be 70 or 80 more claims.

Mr. Chairman, I must decline to yield further.

Mr. RAKER. Just one more question of the gentleman. Let me finish this line of inquiry.

Mr. EDMONDS. Go ahead.

Mr. RAKER. These requests or demands suggested in the bill, line 8, page 5, are such that where these various authorities went out to these men and told them they wanted them to go to this work and they did, those are cases in addition to where there was a special contract made which the gentleman intends to cover in this bill?

Mr. EDMONDS. Yes; that is right. Now, in answer to the appeal from the Government there were 12 yards started in the New England district; 14 yards in the northern Atlantic district; 13 yards in the middle Atlantic district, that is, around Chesapeake Bay; 9 yards in the southern district, around Florida; 10 yards in the Gulf district; 7 yards in the western Gulf district; 8 yards in the southern Pacific district; 13 yards in the northern Pacific district; 11 in the Oregon district; and 7 in the Great Lakes district. You see they are distributed over the country and took in probably every point that would be possible to see any advantage to aid building wooden ships.

Now, these men built very few ships in each of these yards, some of them four and some eight. They were supposed to be reimbursed for this building. They were to get \$15,000—\$8,000 profit and \$7,000 toward the ways. It was presumed and stated that shipbuilding would be good for years, and they would be able to continue building these wooden ships, which has not proven true. So therefore they are left in this position, that unless the Government comes to their rescue there is nothing but bankruptcy left for them. Of course, some men may pull through if they have sufficient money, but it will mean a severe loss.

Mr. EVANS of Nebraska. Will the gentleman yield?

Mr. EDMONDS. I will yield to the gentleman.

Mr. EVANS of Nebraska. Referring to section 2, page 5, I note it is assumed there that these persons can sue and recover. If they can sue and recover, why give them the right to settle; why do you fix their rights as you do under section 2?

Mr. EDMONDS. The bill is drawn around this fact, that it is desired to return the original investment to these men; in other words, pay for their plant.

Mr. EVANS of Nebraska. But why give them a profit, why provide for a profit if it is only to return the amount that they have got in these plants?

Mr. EDMONDS. The question of profit is one that can be settled here. It is part of the bill, and the gentleman can move to cut it out if the gentleman does not like it.

Mr. EVANS of Nebraska. Why does the gentleman provide in this bill, page 6, that the claimant may appeal, and you only allow the Government to appeal if there is fraud, and then they must pay the money and sue to recover?

Mr. EDMONDS. If the gentleman will look at line 17, page 6, he will see that "the settlement of any claim arising under the provisions of this section shall not bar the United States Government, through any of its duly authorized agencies, or any committee of Congress hereafter to be appointed, from the right of review of such settlement."

Mr. EVANS of Nebraska. Then, at the bottom of the page, line 25, and line 1, on page 7, you say that it must be based on fraud or mistake of fact that they have the right to sue and recover the money back.

Mr. EDMONDS. No; it is not based on fraud. It is based on cause that might arise. It is not based simply on fraud.

Mr. EVANS of Nebraska. Fraud or mistake of fact.

Mr. EDMONDS. No; there is a comma after the word "settlement" there.

Mr. HARDY of Texas. Let me suggest to the gentleman that we went over this proposition, and as the settlement was to be placed in the first instance in the hands of a Government functionary, a Government official, and having given the whole right to decide these matters to this officer we thought that it was a strange provision to appeal from the Government's own decision to the Government itself.

Mr. EVANS of Nebraska. It has been a very expensive matter when the Government has so settled.

Mr. HARDY of Texas. We have provided that if any mistake or fraud was made by the commission settling these matters that it might be appealed from.

Mr. EDMONDS. Mr. Chairman, that is all that is contained in this bill, merely validating the settlement in the cost of these yards, and it is a question whether the House wants to decide on so doing. Now, I do not think there is very much difference from the settlement of some of the war claims; I do not think there is very much difference from paying the contractors of public building; I do not think it is very much different from what we have done here. The question is, Are these men to have the privilege to collect for the original investment? We thought the bill would properly safeguard the Government in every way, and that the Shipping Board, far from being compelled to make this settlement, could refuse to make the settlement if they had a just cause in the way of fraud or anything like that.

The CHAIRMAN. The time of the gentleman has expired.

Mr. EDMONDS. Mr. Chairman, I ask the right to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania? [After a pause.] The Chair hears none.

Mr. DAVIS of Tennessee. Mr. Chairman, I yield four minutes to the gentleman from Ohio [Mr. GARD].

Mr. GARD. Mr. Chairman and gentlemen of the committee, in the limited time I have at my disposal I desire to call attention to certain features of the bill such as the committee is advised entails the possibility of an expenditure of \$50,000,000. The House amendment, I think, should be limited in its language to claims arising out of contract, and therefore the first suggestion I would make in the bill—and I desire to make pertinent suggestions only—is that the language on page 4, line 21, after the word "claims," there be inserted the words "arising out of contracts, expressed or implied." I think there should be a limitation of that kind. I also call attention to the language on page 5, line 13—

Mr. EDMONDS. Will the gentleman yield there?

Mr. GARD. I have not the time. I can not yield, as I have only four minutes.

Mr. EDMONDS. That is a printer's mistake and will be corrected.

Mr. GARD. As to page 5, line 13, the gentleman states that is a printer's mistake, and so I presume it must be corrected; but there is an error in lines 13 and 14, because as it is now expressed it is meaningless. The other questions that arise in

my mind are on page 6, at line 15, in which the House inserted this language:

Where under the facts it could not have been reasonably expected that ships would be built, shall be recognized in any manner by the board.

Now that is extending a tremendous discretion, if the word may be properly used, to the Shipping Board to take care of all sorts of contracts where men are disappointed in the fact that the war ended when it did and that they did not get the opportunity to continue their existing war contracts. And that is exactly what we may expect to have under this bill when we go so far as to authorize anybody to say that they can adjust claims where the claimant reasonably might expect that his ships would be built and were not built because of the fact of the cessation of the war as announced, at least, by the armistice.

Also, I would call attention to the fact that everything in this bill proper for the administration of justice is contained in section 2, which provides that the courts of the land may be appealed to by the claimant. I call attention also to the fact that in the consideration of the bill there is no language expressed by the House or anyone representing in any legal sense the Shipping Board; no one appearing for the interests of the United States in the matter of these claims arising from contract or without contract, either express or implied; that there is no right of appeal to the courts on the part of the Government; that the interests of the Government are not safeguarded as, in my judgment, they should be.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. GREENE of Massachusetts. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. CHINDBLOM].

Mr. CHINDBLOM. Mr. Chairman, some reference has been made to the position on this bill of the chairman of the Shipping Board. Judge Payne was the chairman of the Shipping Board who discontinued making settlements after his predecessors had permitted settlements to be made. I call attention to page 60 of the hearings of January 14 and 15 of this year, where, in response to a question by the gentleman from Texas [Mr. HARDY], Mr. Payne used these words:

I have felt and expressed it as my opinion, while I do not think we have the right as a matter of law to amortize the cost of those yards, that there was a moral obligation on the part of the country to make the shipbuilders whole and to pay what was just and equitable to that end.

That is directly upon the question, Mr. Chairman, of amortizing the cost of the plants, and that is the only question here involved. You say that it will cost \$20,000,000 or \$25,000,000 to settle these claims. Only a small part of that sum is for the cost of amortizing the plants. Most of it will be legal claims or claims cognizable at law for which recovery could be made. When the Shipping Board at the beginning of the war went out on the Atlantic and the Pacific coasts, on the Gulf and on the Great Lakes, and urged men to organize corporations for the purpose of building wooden ships in order that we might build ships faster than the Germans could sink them, these men responded to this call. I am not here for the purpose of framing for them a crown of glory on account of their patriotic endeavor, but, on the other hand, now since the war is over and we have come to the sober second thought, let us not forget that during the war everybody was anxious to do his part, and I want to say that many of these shipbuilders did their part from a patriotic impulse, and they did it because they were requested by the representatives of the Government so to do. They established their plants. The armistice came, and they found themselves with a lot of ways for the building of wooden ships for which there was absolutely no use. Wooden ships are a thing of the past. Even the Shipping Board itself, perhaps, made a mistake in advocating the building of the ships during the war, but it was done.

Mr. SABATH. Will the gentleman yield for a question?

Mr. CHINDBLOM. For a short question.

Mr. SABATH. Has the gentleman the names of these patriotic contractors that will be benefited under this bill? If he has, I will appreciate it, and I know the country will appreciate it, if he will insert the names of all of these patriotic contractors that have taken on these contracts in the interest of the United States.

Mr. CHINDBLOM. That is no question. If the gentleman wants to make a speech, let him make it in his own right. I decline to yield to him further. There is no use now in indulging in aspersions upon men who during the war actually sought to do something for the Government. I say they did seek to do something for the Government.

I want to call your attention to some of the safeguards of this bill. We have considered it for a very long time. We



have had very extended hearings. We had Judge Payne before us, and he made a complete statement as to his views on the matter, just as I stated awhile ago. Mr. Payne said, on page 61 of the hearings, to which I have just referred, that he thought Congress should advise the Shipping Board; that we should indicate the lines along which settlements should be made. On page 65 of the hearings you will find this in the statement of Judge Payne:

You know I went so far as to say to these gentlemen that if the committees of the Senate and the House would go on record as directing us to proceed, I would be willing to take the responsibility. Of course, it is very much better that the Congress should pass this legislation and should define the rules, as far as it reasonably may, which we may follow in awarding compensation.

Mr. WALSH. Will the gentleman yield for a short question?

Mr. CHINDBLOM. For a short question.

Mr. WALSH. What does the present personnel of the Shipping Board say? Judge Payne is no longer a member.

Mr. CHINDBLOM. We have not had any hearings since Admiral Benson became chairman of the board.

I want to call attention now to some safeguards of this bill. In the first place, no claim shall be liquidated or paid unless it is based upon a request or demand of the Shipping Board or somebody representing the Shipping Board or the Government. In the second place, the claims must be filed within three months from and after the passage of this act. Then, too, every claim must be shown to be made in good faith and upon assurance by some one representing the Shipping Board or some one representing the Government that reimbursement would be provided for in money or contracts for additional work. Next it must be shown that the money was invested or obligations incurred in a proper attempt to produce ships for the use of the United States in prosecution of the war. Next it provides that the settlement of any claim under these provisions shall not bar the Government through its authorized agents to proceed to recover any money paid by virtue of this bill under mistake of fact or through fraud.

Gentlemen have said that there should be provided a review of any settlement by the Government. I do not think it matters whether you insert such a provision or not, since the fact is that the Government is itself making these settlements.

The Government, through the Shipping Board and through the legal department of the Shipping Board, will have full authority to make these settlements; but to provide that the party which makes a settlement shall immediately proceed to have a review of its own action is certainly something unusual. However, if it is desired, such a provision can be inserted in the bill. I am sure the committee are perfectly willing that such a provision shall go into this bill.

With reference to section 2, which has been the subject of some criticism, I call your attention to the fact that it is only in the event that the claimant is dissatisfied with the action of the Shipping Board that he may then within 90 days reject the award and sue the United States. But if he does sue the United States he loses many of the advantages under this bill. He would find the presentation of proof much more difficult and technical in the courts than before the Shipping Board. He can go to the Shipping Board now and get a settlement of that which is legally due him. In fact, Mr. Chairman, the Shipping Board has made settlements which provide that, in addition to the amounts which have been allowed upon a legal claim, the claimant can come in hereafter and demand further settlement if this bill should pass.

Mr. OLIVER. Mr. Chairman, will the gentleman yield?

Mr. CHINDBLOM. Yes.

Mr. OLIVER. If that is already a right, why put it in this bill?

Mr. CHINDBLOM. Because under this provision the claimants would have no further right to submit their claims to the courts.

Mr. MONTAGUE. They can go into the courts now.

Mr. CHINDBLOM. Yes; they can go into the courts now; but having once submitted their claims to the Shipping Board they are placed in the position of having submitted to one tribunal.

Mr. OLIVER. The gentleman can find no authority for the claim that giving them an existing right would constitute any waiver of an existing right.

Mr. CHINDBLOM. This fixes a time within which they must act. They must act within 90 days; otherwise they will not have the right.

Mr. OLIVER. I am not in agreement with the gentleman in the belief that the conferring of jurisdiction on the courts in the case of claims of this kind does not give additional rights to the claimants that they would otherwise not possess.

Mr. CHINDBLOM. But, having submitted his claim to the Shipping Board, if a claimant is dissatisfied with the decision of the Shipping Board and resorts to the court he must take such action within 90 days.

Mr. OLIVER. The gentleman's claim, supplemented by the remark of the gentleman from Virginia [Mr. MONTAGUE], is that it confers no additional rights on the claimant and confers no status on him that he would not otherwise have. If that is true, we should not put that in.

Mr. CHINDBLOM. The gentleman is not asking a question now. The provision contains a limitation of the time within which the claimants may take action in the courts. We want them immediately to determine within 90 days whether they are going to stand upon the decision and action of the Shipping Board or take further action elsewhere.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. CHINDBLOM. Mr. Chairman, I ask unanimous consent to extend and revise my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CHINDBLOM. And in so doing I ask leave to insert a letter addressed to the honorable chairman of the committee at the present time from one of the claimants.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The letter in question is as follows:

WASHINGTON, D. C., February 11, 1920.

Hon. C. N. MCARTHUR,  
House of Representatives, Washington, D. C.

MY DEAR SIR: Referring to that bill which I spoke to you about this morning, there were two classes of yards interested. On the river there were half a dozen yards like our own which had a complete plant and going business at the time the United States entered the war. The other class were new yards which spent considerable money providing plant and equipment, expecting to have a long run which would enable them to amortize their plant and possibly pay them a small profit.

In the case of established yards like ours we were building motor ships and selling them faster than we could build them at a profit of about \$50,000 per ship. We were ordered by the Government to discontinue this work and undertake construction of wood ships of a type furnished by them. They left us with material on hand for four of those motor ships, and by putting in effect the Macey scale, an absurd system of classification, so greatly increased the cost of labor that we lost \$141,000 on two schooners which we had started to build before the Government virtually took possession of our yard.

Acting under direct instructions from the Emergency Fleet Corporation officials we enlarged the plant and added additional equipment to a total cost of \$350,000, an expenditure which was absolutely unnecessary for the highly profitable business we were engaged in when we were switched on to this Government work. At the time we made these improvements we were promised a long run in the yard—Mr. Schwab and Mr. Plez both coming out there and stating we would be kept busy at least into 1920.

We built 10 ships under our first contract and had just started on a second contract for 10 more; 9 of this second 10 were canceled without a moment's notice after we had expended \$300,000 in actual construction and had purchased approximately \$400,000 worth of material with which to complete the contract.

In attempting to settle our claim we have not asked for anything to cover the enormous losses sustained by having our motor-ship business shot to pieces nor for the general demoralization caused by the infamous Macey scale and classification which practically took the management of our yard out of our hands, neglecting, however, to relieve us of the work of digging up money for the pay roll.

The bill now before Congress provides only for recompensing owners for the actual loss suffered through attempting to build a ship of the Government's own design and under the Government's own rules and classifications and labor regulations. The original design of the ships was changed repeatedly, every builder being obliged to make hundreds of changes. These changes ranged in price from a few dollars up to hundreds and, in some cases, thousands of dollars, making the cost of a completed ship vastly greater than could possibly have been contemplated by the bidders who undertook the work at a figure based on a certain style of construction and a certain classification of labor. We are also asking a small profit on the ships actually built, but this profit added to the cost of the ship does not even approximate the figure which the same type of vessel cost the Government in yards where they provided the plant and equipment and paid all the bills.

The essential point of the whole matter is that the yards were asked, and in some cases forced, to undertake this work at a price fixed by the Government, which at the time was not in a position to know what the work actually was worth. The fact that they bungled the job, both as to type of ship and demoralization of labor, was no fault of the builders, who went ahead with good faith and did the best they could under the circumstances. We are not asking the Government to pay any such elaborate profits as were allowed the cost-plus men who operated the yards where the Government paid all the bills and built the plant. I think you are familiar enough with the other features of the case to do a little explaining on your own account.

Truly, yours,

E. W. WRIGHT.

Mr. GREENE of Massachusetts. Mr. Chairman, how does the time stand?

The CHAIRMAN. The gentleman from Massachusetts [Mr. GREENE] has 20 minutes remaining, and the gentleman from Tennessee [Mr. DAVIS] has 18 minutes.

Mr. DAVIS of Tennessee. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. MANN].

The CHAIRMAN. The gentleman from Illinois is recognized for five minutes.

Mr. MANN of Illinois. Mr. Chairman, while I am opposed to this bill generally, there is one provision in it to which I wish to call attention. The first section of the bill provides that various persons, and so forth, may bring claims before the board, and then provides that—

The board shall adjust and liquidate each claim on such terms as it shall determine from the facts in the case to be just and equitable, and may take into consideration, among other things, the conditions under which the contracts were entered into and the conditions under which the work was performed.

I take it from the reading that the purpose of that language is to permit the Shipping Board, which entered into a contract and which knew the conditions at the time, knew the conditions under which the work was entered and knew the general situation, to apply its personal knowledge in the settlement of each claim upon the respective merits of the particular claim, and it is not required to lay down a general rule and require evidence to be submitted in all cases covering the general rule; but that each case may be decided equitably upon the facts in that case, most of which facts will be under the personal knowledge of the Shipping Board or the officials or employees of the Shipping Board.

If the bill is to be passed at all, that looks like a reasonable proposition. Then I turn over to section 2 of the bill and find that if the claimant is not satisfied with the award made by the board in his case, then the claimant may sue in the Court of Claims, and the Court of Claims shall decide the case under the terms and conditions of this act. How can the Court of Claims have any personal knowledge of the case? How can the Court of Claims have any knowledge of the conditions in a particular case except as it may be offered in evidence?

What does the Court of Claims know about a particular situation of the claimant and of the case? Here is a bill that proposes to provide that the Shipping Board shall have authority to make a settlement, and that the board will make no settlement which is not fair to the Government, because the Shipping Board knows all the circumstances, and then, on the next page, it takes it away from the Shipping Board and turns it over to people who know nothing about it.

Mr. OLIVER. Mr. Chairman, will the gentleman suffer an interruption for a minute?

Mr. MANN of Illinois. Yes.

Mr. OLIVER. Since the purpose of the section to which the gentleman is referring has been stated to be simply to avoid a waiver of one's existing rights under the law, why could not that simply be provided that the party must accept the award within three months after it is made, and the refusal to accept would not be a waiver of any legal rights that the party might have?

Mr. MANN of Illinois. Perhaps that might be done. I am referring to the provision in the bill which either does not mean anything or does not mean what it ought to mean. It ought not to be left to the Court of Claims to imagine what the Shipping Board may know in reference to the situation as to each claim. There may be cases where the Shipping Board, if the bill is to be passed at all, could properly allow a claim, but where the Court of Claims ought not to have authority to determine what the conditions are.

The CHAIRMAN. The time of the gentleman from Illinois has expired. The gentleman from Massachusetts [Mr. GREENE] has 20 minutes remaining and the gentleman from Tennessee [Mr. DAVIS] has 13 minutes.

Mr. GREENE of Massachusetts. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. HARDY].

The CHAIRMAN. The gentleman from Texas is recognized for 10 minutes.

Mr. HARDY of Texas. Mr. Chairman, I hope it will be understood by all the Members of the House that Mr. Payne based his action in refusing to adjust and settle these claims solely upon the legal proposition that as an administrative officer and as a good lawyer he did not believe that the Shipping Board had the right to make any settlements covering anything else except the legal obligations of the Government of the United States; that they had no right to consider the moral and implied obligations, or particularly the moral obligation.

I want to call attention to the fact that Judge Payne is one of the ablest, most cautious, and prudent lawyers who has ever held a public position, and his name and fame for not exceeding the powers justly belonging to him are dear to him; and while prior to his coming in and taking charge and making a full study of the question the Shipping Board had believed,

and while some good lawyers still believe, that they did have the right to adjust on the basis of the implied and moral obligations of the Government, when he put his analytical eye upon the statute he said he did not think they had the right and stopped it.

Judge Payne was asked by our committee to state what he thought was the moral obligation of the Government. He endeavored to avoid that, but I felt that his failure to state something on the subject might leave an inference that he believed there was no moral obligation, and so, as read by the gentleman from Illinois [Mr. CHINDBLOM], I continued to ask him that question until he finally answered and said that in good morals the Government did owe them an obligation and ought to settle with them.

I have not time to go into this matter in 10 minutes, except to say to you that I was amply satisfied that under the phraseology used in the paragraph on page 5 they were authorized by this law to settle upon such terms as it—that is, the board—shall determine from the facts in the case to be just and equitable. That language, "just and equitable," was submitted to Judge Payne. He said it was not sufficient to authorize them to settle the moral or implied obligations of the Government, because in legal parlance equity follows the law, and with that paragraph alone, with nothing further added, they might be held to the letter of the law and the legal obligations under the contracts and agreements; that is to say, they might be right where they were before or under the existing law.

Mr. KINCHELOE. Will the gentleman from Texas yield?

Mr. HARDY of Texas. Yes.

Mr. KINCHELOE. Is it not a fact that the differences in opinion of the members of the committee arise not upon the question of reimbursing these gentlemen for the work already done but upon reimbursing them or paying them for the construction of the shipyards?

Mr. HARDY of Texas. That is the only place where the legal and the moral obligations diverge, and that is the question involved. Therefore, in order to enable the Shipping Board to take into consideration the moral obligation arising out of the fact that certain companies and men all over the country were urgently requested by the Shipping Board to do certain things not covered by specific contracts for compensation, in order to authorize settlement for what these men expended at the earnest solicitation of the Shipping Board and representatives of the Government, in order to serve the Government, they ask that this language be put in:

And may take into consideration, among other things, the conditions under which the contracts were entered into and conditions under which the work was performed.

Now I do not want the House to go off on any wild tangent. If I thought this was a precedent for such an example as stated by my colleague from Texas [Mr. BLANTON], that some man had a ship that he could have sold for \$1,000,000 and could not now sell it for more than \$500,000 or less would come in and ask to be reimbursed by the Government paying him \$500,000, and that this would be thought a precedent for that, I would say do not pass this bill. But the simple question is this: The evidence showed before us that the Shipping Board and the Emergency Fleet Corporation, and Mr. Schwab particularly, went to Richmond, Va., for one place, and said to some patriotic citizens there in a meeting of the chamber of commerce of that city, "Gentlemen, we need ships; we must have ships."

These gentlemen said, "We can get the money. We have no shipping knowledge. We will try to get somebody who has. We will raise the money to build a shipyard and go to work producing wooden ships if you want us to do it," and he assured them that they would be held whole, and on the faith of this assurance they went to work. This assurance is what I want to see made good.

Now, this provision does not apply to anybody except those meeting its requirements:

That no claims shall be allowed and paid by said board unless it shall appear to its satisfaction that the expenditures made or obligations incurred by the claimant were made in good faith and upon assurances by the United States Shipping Board, the United States Shipping Board Emergency Fleet Corporation, or some officer or agent acting under the authority, direction, or instruction of said board or corporation, or either of them, that reimbursement would be provided for in money or contracts for additional work.

In other words, they said, in effect, to this company of men: "Build your plant. We will give you work from which you can amortize the cost of your plant in the price we will pay for each ship or we will pay you what you expend."

Under that agreement they built the plant, they started to building ships, they got three or four built, and before they had half completed their contract the Government canceled it. There was no provision for the cancellation of the contract, but



the Government, exercising its great power, just canceled it. Those men are left to hold the bag. Having spent their money on the urgent solicitation of the Government, they are now left to go broke, some of them to become penniless. Why, gentlemen, if I as a private individual had induced Mr. MONAHAN here to go out and begin the construction of a ship for my urgent needs, and had told him orally, "I will make you whole," and when he had got the ship half constructed my need for the ship had ceased and I canceled the contract, do you suppose that I would try to shirk my moral obligation to recompense him for what he had lost, or that I would hide behind some technical defense that might prevent my verbal agreement being valid and binding in law?

Mr. CULLEN. Will the gentleman yield for a question?

Mr. HARDY of Texas. Yes.

Mr. CULLEN. The gentleman seems to be familiar with this whole proposition, and also seems to be familiar with the drafting of the bill. There seems to be some question in regard to section 2 as to whether the interests of the United States are safeguarded, and also as to the claim. Will the gentleman explain to the House in his own way how section 2 would operate?

Mr. HARDY of Texas. That is going to take a right smart lot of time, but I will try to do it briefly.

Mr. CULLEN. I will ask that the gentleman's time be extended.

Mr. HARDY of Texas. The committee had under advisement the question whether there should be any appeal from the findings of the board in this matter. It was considered that the board was an arm of the Government, and we did not think there was any necessity for the board to appeal from its own decision, or for somebody for the board to appeal from the action of the board; but it is our understanding that as to nearly every award made by the executive branch of the Government for compensation to citizens for property taken there is a provision in the law that the party receiving the award may reject it and go to the Court of Claims.

Mr. CULLEN. Exactly.

Mr. HARDY of Texas. Let me say further that it was stated by the claimants and by everybody connected with it that owing to the long, slow, tedious delays connected with going to the Court of Claims, it would not be resorted to, that they knew that if they abandoned the award made by the Shipping Board they would have to take years of time waiting, and in the meantime get nothing. While this provision is in the bill, it is not believed it will be resorted to by claimants.

It was a formal recognition of the ordinary and usual right accorded to a claimant against the Government when the Government tribunal for passing on the claims did not decide according to his judgment for him to go into the Court of Claims and present the claim.

As to the Government not appealing, it would seem to be an appeal by the Government from its own decision. But we do provide that if any mistake is made a review may be had on the board's own initiative, or for any fraud that is perpetrated it can go back and uncover it.

The Good Book, in the story of Job, exalts the justice of God. In all his afflictions Job was patient. He knew that God could not be unjust.

I say in paraphrase of that, let private individuals shirk their moral obligations, but let the Government of the United States always do justice. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. HARDY of Texas. I wish I had an hour to go into the circumstances that induced these patriotic people to give their services to the Government in the time of its adversity.

Mr. DAVIS of Tennessee. Mr. Chairman, I yield five minutes more to the gentleman from Texas.

Mr. HARDY of Texas. I thank the gentleman from Tennessee. I want to say that, so far as I know, there is not a soul living in my district who has any interest in this bill. There is certainly nobody that I have any interest or relation with that has any interest in it. But, gentlemen, here was our Government in dire distress. I thought in those days that maybe our greatest chance to get our boys and provisions for them across to the other side was to send them in little vessels, too small to be successfully attacked by the German submarines, and that we wanted to fill the seas with numbers of these little ships. We had many men of many minds as to how we were going to proceed to get the supplies across the seas. The truth was that after the President's war message we were intent on using force to the utmost, we were intent on applying all our physical and all of our financial and moral resources toward winning the war. Every instrumentality was appealed to and called into operation. We went to the shipbuilder who owned a

little plant where they built the small wooden ships, and we went to people who had never built a ship, and we said the country calls. Many of them answered before they had a written contract; they took the contracts as they were offered. The truth was that it was a great appeal, greatly responded to by the people who to-day are standing and waiting just treatment, for justice, by our Government. [Applause.] That is all there is to it. If it was my individual obligation I would feel morally bound to pay the man whom I had induced to do the work, and every one of these payments must be made only to those who were induced to do the work by the Shipping Board or the Emergency Fleet Corporation, or some one authorized by them to make the request.

Mr. SABATH. Will the gentleman yield?

Mr. HARDY of Texas. Yes.

Mr. SABATH. Is there any way by which the House can secure the names of the corporations and individuals who have filed claims?

Mr. HARDY of Texas. If the gentleman will look through the hearings he will find every one given by the Shipping Board officials and by witnesses who appeared before us, but it is in piecemeal and I can not give them to him.

Mr. SABATH. There is no reason why the information should be withheld from the House.

Mr. HARDY of Texas. Absolutely none.

Mr. EDMONDS. They are here; the names of the shipyards are all in Mr. Pease's report.

Mr. CHINDBLOM. The gentleman will find them in the hearings.

Mr. HARDY of Texas. Mr. Chairman, I will ask unanimous consent to insert in my remarks the list on pages 119, 120, and 121 of the hearings that give the list of the claimants.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The list is as follows:

#### NEW ENGLAND DISTRICT.

Francis Cobb.  
Crosby Navigation Co.  
Crowninshield.  
Cumberland Shipbuilding Co.  
Freeport Shipbuilding Co.  
George A. Gilchrist.  
R. T. Green.  
Kelly-Spear Co.  
Machias Ship Construction Co.  
Russell Shipbuilding Co.  
Sandy Point Shipbuilding Co.  
L. H. Shattuck (Inc.).

#### NORTHERN ATLANTIC DISTRICT.

A. C. Brown & Sons.  
Continental Shipbuilding Co.  
Foundation Co.  
Gas Engine & Power Co.  
Gildersleeve Ship Co.  
Groton Iron Works.  
Housatonic Shipbuilding Co.  
Int. S. B. & M. E. (Corp.).  
Johnson Shipyard Corporation.  
Kingston Shipbuilding Co.  
J. H. Mathis Co.  
Ship Construction & Trad.  
J. W. Sullivan Co.  
Traylor Shipbuilding Co.

#### MIDDLE ATLANTIC DISTRICT.

Chance Marine Construction Co.  
Coastwise Shipbuilding Co.  
H. E. Crook Co.  
M. M. Davis & Son.  
Eastern Shore Shipbuilding Co.  
Maryland Shipbuilding Co.  
Missouri Valley Brass & Iron Co.  
North Carolina Shipbuilding Co.  
Henry Smith & Sons.  
Charles H. Tenney.  
Vinyard Shipbuilding Co.  
White Haven Shipbuilding Co.  
York River Shipbuilding Co.

#### SOUTHERN DISTRICT (EASTERN).

American Shipbuilding Co.  
Gibbs Gas Engine Co.  
Morey & Thomas.  
J. M. Murdock.  
National Shipbuilding & Dry Dock Co.  
Southland Steamship Co.  
St. Johns River Shipbuilding Co.  
Tampa Dock Co.  
United States Maritime Corporation.

#### GULF DISTRICT.

Beaumont Shipbuilding & Dry Dock Co.  
Heldenfels Bros.  
Lone Star Shipbuilding Co.  
McBride & Law.  
J. N. McCammon.  
Midland Bridge.  
National Oil Co.  
Southern Dry Dock & Shipbuilding Co.  
Union Shipbuilding & Construction Co.  
Universal Shipbuilding Co.

## SOUTHERN DISTRICT (WESTERN).

Alabama Shipbuilding & Dry Dock Co.  
American Lumber Co.  
Dantzer Shipbuilding & Dry Dock Co.  
Dierks-Blodgett.  
Hodge Ship Co.  
Jahncke Shipbuilding Co.  
Murnan Shipbuilding Co.

## SOUTHERN PACIFIC DISTRICT.

Benicia Shipbuilding Co.  
R. J. Chandler.  
Coos Bay Shipbuilding Co.  
Fulton Shipbuilding Co.  
Hammond Lumber Co.  
Kruse & Banks.  
Main Iron Works.  
Rolph Shipbuilding Co.

## NORTHERN PACIFIC DISTRICT.

Allen Shipbuilding Co.  
Babare Bros.  
Grant-Smith-Porter.  
Grays Harbor Merchant Ship Corporation.  
Mecham & Babcock.  
Nilson & Kelez.  
Pacific American Fisheries.  
Puget Sound Bridge & Derrick Co.  
Sanderson & Porter.  
Seaborn Shipyards.  
Sloan Shipyards.  
Tacoma Shipbuilding Co.  
Wright Shipyards.

## OREGON DISTRICT.

Coast Shipbuilding Co.  
Feeney & Bremer.  
Grant-Smith-Porter.  
McEachern Ship Co.  
Peninsula Shipbuilding Co.  
George F. Rodgers.  
Sommarstrom.  
G. M. Standifer.  
St. Helens Shipbuilding Co.  
Supple & Ballin.  
Wilson Shipbuilding Co.

## GREAT LAKES DISTRICT.

Burger Boat Co.  
Dachel-Carter Boat Co.  
Lake & Ocean Navigation Co.  
Leatham & Smith.  
Sydney McLouth.  
Northwest Engineering Works.  
Universal Shipbuilding Co.

Mr. GOLDFOGLE. Does it give the list of individuals?

Mr. HARDY of Texas. Not an individual list. It does not give the names of the shareholders, but gives the names of the companies. I do not think we ever went into the question as to who the shareholders were.

Now, Mr. Chairman, I wish to say that I have the highest regard for the gentleman from Tennessee, Judge DAVIS. He has examined this law with all the scares about him that some one might be seeking to gouge the Government. I think that so far as the Committee on Merchant Marine is concerned, with the exception of Judge DAVIS, the justice of this matter appeals to us all. I do not recall anybody else who did not think that justice required the passage of such a bill as this. It is very difficult to word it, but we have done the best we could to give these people such justice as I before my Maker would hope at last to receive in the final award. [Applause.]

The CHAIRMAN. The gentleman from Tennessee has 8 minutes remaining, and the gentleman from Massachusetts 10 minutes.

Mr. GREENE of Massachusetts. I have only one speech more.

Mr. DAVIS of Tennessee. Mr. Chairman, I yield four minutes to the gentleman from Ohio [Mr. KEARNS].

Mr. KEARNS. Mr. Chairman and gentlemen, I am opposed to this bill for the reason that there are so many other matters of legislation of so much more importance to millions who rendered greater service to the Government than did these men. There is hardly a claimant who would come in under the provisions of this law but has already made millions of dollars out of their investments.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. KEARNS. No; I can not yield. There are scores of men over this country where the Government took everything they had in the beginning of this war, and they have been knocking at the door of Congress ever since trying to be reimbursed by the Government for the things that were deliberately filched from them, but because they are small men without great funds at their command to institute a powerful propaganda they are unable to get recompense for the property the Government took from them without compensation of any character.

I will cite the instance of the nitrate plant at Anchor, Ohio, near Cincinnati, a part of which lies in my district. There were 1,800 acres of land deliberately taken by the Government at that point, and much of the land was being farmed by ten-

ants. The land was taken in June and July of 1917. Those tenants were made to move off their farms overnight. The land was taken from the owners—valuable land, planted in crops by the tenants, in corn, potatoes, vegetables of every character. These claims range all the way from \$1,000 to \$20,000. Those tenants were made to move off the farms at a day's notice, and not one of them has ever received a 5-cent piece from this Government, and the only reason they have not been authorized to bring suit, as you propose to authorize these men, is because they are poor men and have not the funds on hand to start a great propaganda. I say that they have knocked at the door of Congress, but they could not knock loud enough. For that reason I am against legislation of this character until the ear of Congress is open to the men who are in need. Many of them have become bankrupt. Some of them have been reduced to a state of pauperism because Congress would not perform its duties.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield?

Mr. KEARNS. Yes.

Mr. CHINDBLOM. Is the gentleman opposed to this bill, which grants relief to some people, because other people who ought to have relief can not get it?

Mr. KEARNS. Mr. Chairman, I am opposed to this bill for the reasons I have assigned and many others that I have not the time to mention.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. DAVIS of Tennessee. Mr. Chairman, I yield the balance of my time to the gentleman from Kansas [Mr. CAMPBELL].

The CHAIRMAN. The gentleman from Kansas is recognized for four minutes.

Mr. CAMPBELL of Kansas. Mr. Chairman, the people of the United States are able to and are willing to pay every obligation growing out of the war, legal, equitable, and moral.

When a state of war was declared with Germany a wave of patriotic fervor, accompanied by a disposition on the part of all our people to make every sacrifice, spread over the country. The man power, the financial strength, and the industrial resources of the Republic were mobilized for war. The country changed from a peace to a war basis. All were willing to adapt themselves to the changed conditions and to make the same sacrifices that the young men who went to the front to fight the battles were called upon to make. Four millions of the boys were mustered in. Two millions of them reached the battle front. War contractors, such as are provided against loss under the provisions of the bill now under consideration, produced but little material that reached the front before the armistice was signed. Let us say they did their best as the boys did their best. The boys offered their lives; the contractors the product of their industries.

But immediately following the armistice and ever since every specie, every variety, and every character of contractor came to Congress with as many varieties of contracts and asked for money to secure them against loss. Some had contracts that were partly completed, some upon which little had been done, some upon which nothing had been done, and many had no contracts at all. These contractors and would-be contractors appealed to Congress to indemnify them not only against loss, but some of them asked for the profits they had expected to make out of the war contracts they had or thought they had.

Let no one lose sight of the fact that the industries of the country, as well as the man power of the country, were all commandeered for war purposes. War contractors and those who controlled the industries of the country were under the same obligation to render patriotic service to the Nation as the young men who offered their lives upon the battle fields. But the men whose property instead of their lives was commandeered have received from the country since the armistice was signed \$2,179,272,966 to indemnify them against loss.

When the men who were to furnish their property or the products of their industry for war purposes appealed to Congress, those who to-day protest against legislation to in a small way indemnify the boys who offered their lives in battle against financial loss were the earnest advocates of the war contractors. As to the contractors, they do not complain that it would bankrupt the Treasury; that it would increase the cost of living; that the country could stand no additional taxation. But when it is proposed to indemnify the young men, every one of whom offered his life for his country, in an amount that about equals the amount the Government deducted from their pay during the war, a propaganda is spread over the country protesting against legislation readjusting the pay of these heroic boys.

During the war half of their pay was kept from them and sent to dependent relatives. A quarter of it was retained by the



Government for insurance. They had in the neighborhood of seven dollars and a half a month for their personal use during the war. Out of this pittance they could save nothing. When they were discharged they received \$60, which was not enough to buy citizens' clothing, that during their absence had more than doubled in price. They had a year and a half of war—of hell—whether in cantonments, on the sea, or on the battle fields. Their lives were made over. Their nerves were strained to the breaking point. And yet some Members here protest against legislation that will help these boys get on their feet and make their way with those who have made rapid progress in every profession, trade, and industry during their absence in the war.

Mr. Chairman, I serve notice now that until Congress is ready to do something for the men who fought the battles of the war I shall oppose appropriations, or authorizations for appropriations, or authorizations for contractors or would-be contractors to establish their claims against the Government of the United States. You have been told that the boys who fought the battles of the war should not commercialize their patriotism. I say that the contractors of the war should not commercialize their patriotism. [Applause.]

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. CAMPBELL of Kansas. Yes.

Mr. BANKHEAD. To what legislation does the gentleman refer which should be enacted before we take up legislation of the character now under consideration?

Mr. CAMPBELL of Kansas. I refer to the bill that has been under consideration, readjusting the pay of the soldiers—indemnifying them to small degree for loss sustained during the war.

Mr. BLANTON. Commonly known as the bonus proposition.

Mr. CAMPBELL of Kansas. Yes; against which 49 Republicans and a solid Democratic vote is pledged.

That bill does not take a dollar out of the Treasury that it does not put into it. Here are the provisions made for raising the money:

1. An additional surtax on individual incomes of 1 per cent of the amount by which the net income exceeds \$5,000 and does not exceed \$10,000; 2 per cent from \$10,000 to \$26,000; and 3 per cent of incomes in excess of \$26,000. This provision is estimated to yield \$108,000,000 per annum.

2. A tax equivalent to one-fifth of 1 per cent on the sale of stocks and bonds. This provision is estimated to yield \$190,000,000 per annum.

3. A tax equivalent to one-half of 1 per cent on real estate sales. This provision is estimated to yield \$50,000,000 per annum.

4. An increase of approximately 15 per cent in the existing tax on cigars and tobacco and of approximately 25 per cent of the tax on cigarettes. This provision is estimated to yield \$55,000,000 per annum.

5. An excise tax on corporations issuing stock dividends subsequent to March 15, 1920, equivalent to 10 per cent of the value of stock so issued. This provision is estimated to yield \$45,000,000 on stock dividends already declared and \$7,500,000 per annum on future stock dividends.

These taxes will not work a serious hardship on anyone and will not increase the cost of anything. The purpose of the tax is a worthy one. Let it not be said that the country has for the soldiers only cheers for the living, tears for the dead, but indemnity for contractors.

Let me remind you that the boys for whom a readjustment of pay is asked are the same boys that you followed to the station when they were embarking for the cantonments. They are the boys for whom the sweaters were knit and the bandages were made. They are the boys who lay sick in hospitals beside the frozen bodies of dead comrades; the same boys who braved the perils of the sea to reach the enemy on the battle fields of France and Flanders, they are the same boys who lay in the trenches, who went over the top amid the shot and shell and deadly gases of the enemy. They are boys who added glory to the Republic by their patience in the cantonments, by their courage on the sea, by their endurance in the trenches, by their bravery and heroism in going over the top into "no man's land." They are the boys who stirred the heart of the Republic, who cheered England, and France, and Italy, and Belgium; who put new life and courage and new soul into the war. They are the same boys who drove terror into the heart of the Hun, who forced the Kaiser from his throne and drove the German Army back across the Rhine. They are the boys whose comrades sleep beneath the poppies in France and Flanders and in every State of the Union.

Their silent tents are spread  
Where glory guards with sacred round  
The bivouac of the dead.

A bill for their relief should pass ungrudgingly. It is said that it is intended to buy the votes of these brave boys. Their votes can not be bought. It is said that this legislation is commercializing the patriotism of the boys. It is not said that legislation for contractors is commercializing the patriotism of the contractors.

I appeal to the opposition to the soldiers' pay legislation everywhere to support it with the same patriotic support they gave to the legislation mobilizing the boys for war.

Mr. GREENE of Massachusetts. Mr. Chairman, I yield the remainder of my time to the gentleman from Alabama [Mr. BANKHEAD].

Mr. GOLDFOGLE rose.

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. GOLDFOGLE. I simply want to say to the gentleman from Kansas [Mr. CAMPBELL] that no man, and no set of men, has the right to pledge my vote—

The CHAIRMAN. The gentleman is out of order.

Mr. SABATH. Mr. Chairman—

Mr. BANKHEAD. Mr. Chairman, I understand that I have the floor.

Mr. WALSH. Mr. Chairman, I rise to a point of order.

Mr. SABATH. Mr. Chairman, I desire to make a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. SABATH. Whether it is proper for one Member on the floor of the House—

The CHAIRMAN. That is not a point of order.

Mr. SABATH. Then I desire to make a parliamentary inquiry. [Cries of "Regular order!"]

Mr. WALSH. Mr. Chairman, a parliamentary inquiry is not in order unless the gentleman from Alabama yields.

Mr. BLANTON. Mr. Chairman, I desire to make a point of order.

Mr. SABATH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WALSH. Mr. Chairman, I make the point of order that it is not in order to make a parliamentary inquiry unless the gentleman from Alabama yields.

Mr. BANKHEAD. And I have not yielded.

Mr. BLANTON. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BLANTON. I make the point of order that the gentleman from Kansas [Mr. CAMPBELL] does not have the right to read 49 Republican Members out of the Republican Party.

The CHAIRMAN. That is not a point of order, and the Chair overrules it. The gentleman from Alabama is recognized for 10 minutes.

Mr. BANKHEAD. Mr. Chairman, I desire to say by way of preface in connection with the impassioned objections made by the distinguished gentleman from Kansas [Mr. CAMPBELL] to the consideration and passage of the pending legislation, that the members of the party to which I belong are not responsible for the legislative position of which the gentleman from Kansas complains. His party is in power upon the floor of this House. The gentleman from Kansas himself occupies a place of conspicuous authority and power with his legislative colleagues upon the Republican side of this House. If he is unable with his logic and persuasion to induce a majority of the steering committee of his own associates to bring in the legislation in which he is so much interested, surely that even should not militate against the merits of the bill that we have now under consideration.

Mr. CAMPBELL of Kansas. Now will the gentleman yield?

Mr. BANKHEAD. For a brief question.

Mr. CAMPBELL of Kansas. Will the gentleman and his party vote for the previous question and for a rule that I have in my pocket for the bill I have in mind?

Mr. BANKHEAD. I do not know what bill the gentleman has in his pocket; I do not know what rule the gentleman has in his pocket. [Applause.] I will say to the gentleman, if it measures up to some of the partisan rules that he has brought in on the floor of this House since he has been chairman of the Committee on Rules I would not undertake to pledge the Democrats to its consideration. [Applause.] Now I think I have answered the gentleman's question, and I desire to discuss this bill.

Mr. CAMPBELL of Kansas. May I say it is a bill to make in order the bill providing for a readjustment of the pay of our soldiers.

Mr. BANKHEAD. Mr. Chairman, I decline to yield further. I trust that the judicial attitude of the minds of the members of the committee will not be diverted from the consideration of

the pending measure by this side issue that has been injected into the debate by the gentleman from Kansas.

Mr. EMERSON. No side issue, I will tell the gentleman.

Mr. BANKHEAD. We have before us a bill of great merit. It is a bill that should appeal to the careful and equitable consideration of the judgment of every Member of the House. The situation briefly is this, and I will not have time to discuss fully all of the facts and circumstances leading up to the reporting of this bill by our committee, but I do think it is proper, Mr. Chairman, to review quite briefly the circumstances under which those contracts or quasi contracts or equitable claims, if you choose to call them that, were entered into by the representatives of the Shipping Board or the board itself.

As has been admirably stated by the gentleman from Texas [Mr. HARDY] the time, when this shipbuilding program was authorized and entered upon by the Shipping Board was a time of desperate extremity and peril for the people of the United States. You will recall the ravages of the German submarines upon the shipping of the world upon the high seas at the time had reached an appalling state. We did not know to what extent that destruction might ultimately eventuate. We were fearful that it might go to the extent probably of driving all commerce from the seas, which, of course, would have precluded the carrying of our soldiers and of their supplies to the fields of battle in France. And although viewed now in retrospect it has developed that the building of wooden ships was an unfortunate venture upon the part of the Shipping Board, and although it had subsequently developed, as now shown, that they are of small value in the shipping market of the world, yet the circumstances under which they were contracted, viewed in the light of the great national peril that we were involved in at the time upon the high seas, that program was fairly justified by the Shipping Board; and, recognizing that situation, this governmental authority to which was intrusted the duty of getting ships built for the purpose of transporting our troops and supplies, as has been stated, appealed to the business men of the country to engage in the wooden-ship building enterprise, and we made solemn assurances to those gentlemen, backed, of course, as those assurances were, by the faith, credit, and good will of the Government of the United States, to embark upon an extensive program of wooden-ship building enterprise.

Mr. BLACK. Will the gentleman yield?

Mr. BANKHEAD. For a brief question, because I desire to say—

Mr. BLACK. I did not know how much time the gentleman had.

Mr. BANKHEAD. I have very little time, but I will be glad to answer a question.

Mr. BLACK. It is all right; I will not take the time of the gentleman.

Mr. BANKHEAD. Now, this appeal was made to those men. The bill, as has been explained, that is now before the committee arises upon only one phase of that situation. Where contracts were definitely entered into and performed or partly performed in reference to the building and delivery of certain numbers of ships which were built and delivered there is no field for the operation of this bill, but it largely hinges upon the question of amortization of the plants that those gentlemen constructed in order to make them whole upon their investment upon the assurances that were actually given them by the Shipping Board or its representatives as to the quantity of work that they would be intrusted to perform. For instance, if the Shipping Board said to a firm in Richmond, Va., or Bath, Me., or Portland, Oreg., "We will accept your offer if you are able to build for us 12 wooden ships of certain specifications, and we authorize you to go ahead and build a plant with four ways upon which we will guarantee that you will have three turns upon each of those ways, three vessels for each way, and you are expected to complete 12 wooden vessels."

They made their preparations, expended their money, and developed that plant to carry out the assurances and requests of the Shipping Board for the construction of that much wooden tonnage, and then it developed that the armistice came along. These contracts were canceled and wooden-ship building concerns, for instance, which only built three of these ships, actually constructed and delivered, had made their investment of large sums of money upon those plants, and, as I say, the building contract was canceled. In many instances it was only an equitable contract when it comes to its real construction, and, as the gentleman from Texas [Mr. HARDY] has said, in its last analysis possibly only a moral obligation of the Government of the United States, and that is the thing that we are calling upon this House to enact this measure for, to carry out a moral obligation of the Government of the United States.

Mr. HARDY of Texas. Will the gentleman let me read from that obligation?

Mr. BANKHEAD. My friend will pardon me, but I have only two or three minutes. This bill, in fact, confers upon the Shipping Board an equitable jurisdiction to settle and determine these claims under the safeguards and provisos which you will find in the bill. It seems to me, gentlemen, that upon a careful perusal of the bill you will see that the rights of the Government are amply and thoroughly safeguarded, and that it affords no avenue or opportunity for grafters or those who would seek to mulct the Government out of illegitimate profits to operate under the terms of this bill. It bestows upon this board the right to consider each of these claims upon the merits of the proposition, and to take into consideration the facts and circumstances that confronted the contract, or the moral obligation entered into by the Government with these individual citizens, and to adjust and liquidate those claims so that these parties may not suffer loss and may be made whole under the assurances given when the work was entered upon. The bill specifically provides that no profit shall be collected or exacted under the terms of settlement proposed under this bill, and, as has been ably argued by those who preceded me, the whole proposition, gentlemen, simply involves the same thing you have acted upon heretofore in order to provide for a settlement of bills for war claims or contracts with the War Department, the same character of legislation you have—

Mr. MANN of Illinois rose.

Mr. BANKHEAD. I can not yield.

Mr. MANN of Illinois. The gentleman says no profit shall be allowed; that is not in the bill.

Mr. BANKHEAD. I think it is provided in the bill, and if I have time under the five-minute rule I think I can show it is in it. It is the same character of legislation you provided to give those furnishing rare metals and minerals the right to settle their claims in the Interior Department. It is the same character of obligation you authorized to settle many other war activities of the Government of the United States. I see no reason why this particular class of our people who are engaged in the wooden-ship building industry should be discriminated against in favor of the others who have already had authority from Congress to settle their equitable claims against the Government of the United States.

Mr. MADDEN. I think this bill goes a little further than that. It gives them the right to go into court. The other bills did not do that.

Mr. BANKHEAD. Gives whom the right?

Mr. MADDEN. The claimants.

Mr. BANKHEAD. If they are not satisfied with the award they can reject it and remit their claim to the Court of Claims under the provisions of this bill.

Mr. MADDEN. But there is no such right in any other bill we passed.

Mr. BANKHEAD. I do not recollect specifically the terms of the Dent bill. Now, I will be glad to yield to the gentleman from Texas.

The CHAIRMAN. The time of the gentleman has expired. All time has expired. The Clerk will read.

The Clerk read as follows:

*Be it enacted, etc., That the United States Shipping Board be, and it is hereby, authorized to adjust, liquidate, and pay the claims of individuals, firms, or corporations who built or contracted to build wooden ships for the United States, the United States Shipping Board, or the United States Shipping Board Emergency Fleet Corporation after April 6, 1917, which can not be paid under the law as it now is, and said board shall adjust and liquidate each claim upon such terms as it shall determine from the facts in the case to be just and equitable, and its decision shall be deemed conclusive and final, except as herein otherwise provided: Provided, That no claim shall be liquidated or paid unless it is alleged and found to be based upon a request or demand of the United States Shipping Board, the United States Shipping Board Emergency Fleet Corporation, or any officer or agent acting under the authority, direction, or instruction of said board and corporation, or either of them: Provided further, That said board shall consider, approve, and dispose of only such claims as shall be made hereunder and filed with the board within three months from and after the date when this act shall become a law: Provided further, That no claims shall be allowed and paid by said board unless it shall appear to its satisfaction that the expenditures made or obligations incurred by the claimant were made in good faith and upon assurances by the United States Shipping Board, the United States Shipping Board Emergency Fleet Corporation, or any officer or agent acting under the authority, direction, or instruction of said board and corporation, or either of them, that reimbursement would be provided for in money or contracts for additional work: And provided further, That no claim shall be paid unless it shall appear to the satisfaction of said board that moneys were invested or obligations incurred subsequent to April 6, 1917, and prior to November 12, 1918, in a proper and legitimate attempt to produce ships for the needs of the Nation in connection with the prosecution of the war; and that no profits of any kind shall be included in the allowance of any of said claims, and that no investment for merely speculative purposes shall be recognized in any manner by said board: And provided also, That the settlement of any claim arising under the provisions of this section shall not bar the United States Government, through any of its duly authorized agencies, or any committee of Congress hereafter duly appointed, from the right of review of such settlement, nor the right of the United States Shipping Board or the United States Shipping Board Emergency Fleet Corporation to recover any money paid by the Govern-*



ment to any party under and by virtue of the provisions of this section, if the Government has been defrauded; and the right of recovery in all such cases shall extend to the executors, administrators, heirs, and assigns of any party.

Mr. GREENE of Massachusetts. Mr. Speaker, I move to strike out all after the enacting clause and insert the part printed in italics.

The CHAIRMAN. The gentleman from Massachusetts moves to strike out all after the enacting clause in section 1 and insert in lieu thereof all that portion in italics, commencing on page 4, line 19, which the Clerk will report.

Mr. MADDEN. Mr. Chairman, I would like to have a division of that question.

Mr. MANN of Illinois. Mr. Chairman, I make the point of order against the Chair stating the amendment before it is reported by the Clerk.

The CHAIRMAN. The Clerk will report the amendment. The Chair stated that the Clerk would report it.

The Clerk read as follows:

Mr. GREENE of Massachusetts moves to strike out all after the enacting clause and insert the matter in italics, beginning on page 4, line 19.

The CHAIRMAN. The Clerk will read the amendment.

Mr. RAKER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. RAKER. The point of order is that it comes up automatically. When the Senate bill is read the report of the committee on the amendment comes before the House for one vote on the amendment, and it is out of order for a member of the committee or a Member of the House to offer an amendment when the committee's amendment is already pending.

Mr. MADDEN. I make the point of order, Mr. Chairman, it is not in order to entertain any motion for any amendment to the bill until all of the Senate amendment is read. It is one amendment.

Mr. RAKER. My further point is this—

Mr. MADDEN. This is not considered by paragraphs or sections, but it is all one amendment.

Mr. RAKER. Mr. Chairman, the committee has stricken out all after the enacting clause of the Senate bill and offered one amendment as a substitute. Now, when the Senate bill is read the committee amendment is in order and has the precedence.

The CHAIRMAN. The Chair overrules the point of order. The amendment in the nature of a substitute will not be voted on until after the amendment is disposed of. The amendment in the nature of a substitute may be proposed before amendment to the original text has been acted upon. It may not be voted on until after such amendment has been disposed of.

Mr. MANN of Illinois. After the amendment is disposed of? I do not understand what the Chair means. The Chair stated the amendment could be offered, but could not be acted on until the amendment is disposed of. Surely that is not the meaning of the Chair.

The CHAIRMAN. The Chair meant the preferential amendment to perfect the bill.

Mr. MANN of Illinois. The Chair ruled it is not necessary to read the Senate bill?

The CHAIRMAN. The Chair ruled it is necessary to read the Senate bill, and then amend it section by section.

Mr. MANN of Illinois. The amendment by way of a substitute will not be voted upon until the Senate amendment has been read?

The CHAIRMAN. Yes, sir. The motion put by the gentleman from Massachusetts should be to strike out section 1 and insert in lieu thereof the words which the Clerk will report.

Mr. MANN of Illinois. Of course, if the question is presented to the Chair he will have to decide it, but the motion has not been made yet.

Mr. GARD. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. GARD. The point of order is that the motion made by the gentleman from Massachusetts [Mr. GREENE] has not been submitted by the Chair to the committee for its action.

Mr. LONGWORTH. Mr. Chairman, should not the motion of the gentleman from Massachusetts be to strike out section 1 and insert section 1 of the House bill, giving notice at the same time, if that amendment prevails, he will make the similar motion in regard to section 2 and other sections?

The CHAIRMAN. That is the proper procedure for the gentleman from Massachusetts [Mr. GREENE] to follow.

Mr. LONGWORTH. The gentleman should give notice.

The CHAIRMAN. The gentleman should give notice that if it is adopted he will offer a similar motion to strike out and substitute other sections of the Senate bill.

Mr. RAKER. Mr. Chairman, a further point of order.

The CHAIRMAN. The gentleman will state it.

Mr. RAKER. The report on this bill shows that the committee has not offered these amendments as separate amendments, but they strike out all the enacting clause and insert the following in lieu thereof as a substitute.

Mr. GREENE of Massachusetts. That is exactly—

Mr. RAKER. The gentleman's motion put in all the sections without an opportunity to offer an amendment to those sections. Clearly he does not intend that.

Mr. GREENE of Massachusetts. I move to strike out section 1 of the Senate bill and substitute section 1 of this bill.

Mr. LONGWORTH. I make the point of order that that is not in order unless accompanied by notice that he intends to make the same motion as to the other.

The CHAIRMAN. The Chair sustains the point of order.

Mr. GREENE of Massachusetts. I intend to offer a similar amendment to each paragraph of the bill, to substitute the new bill.

The CHAIRMAN. Is there objection to the modification of the amendment?

Mr. BRIGGS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BRIGGS. If the motion should be carried, would that whole section 1 of the amendment be open for amendment in other respects, or would we adopt it as just one amendment without amending it at all?

The CHAIRMAN. It would be open for amendment. The gentleman from Massachusetts [Mr. GREENE] moves to strike out—

Mr. MANN of Illinois. Why not let the Clerk report the amendment, so that we may know what it is?

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. GREENE of Massachusetts: Strike out all after the enacting clause of the Senate bill and insert section 1 with a committee amendment, the language beginning on page 4, line 19, and ending on page 7, line 8.

Mr. WALSH. Mr. Chairman, I offer an amendment to the amendment proposed by the gentleman from Massachusetts.

The CHAIRMAN. The gentleman from Massachusetts [Mr. WALSH] offers a preferential amendment to the amendment offered by the gentleman from Massachusetts [Mr. GREENE].

Mr. MANN of Illinois. Mr. Chairman, I make the point of order that the amendment proposed by the gentleman from Massachusetts [Mr. WALSH] is not in order. We might as well have it done properly. This is a committee amendment. It has to be voted upon at some time without being offered from the floor. The committee amendment has to be voted on some time. Now, the proper motion, the proper proceeding, is either to read the Senate bill through and then vote upon the committee substitute as a whole or upon the reading of the first section. The gentleman from Massachusetts [Mr. GREENE] should offer the entire committee amendment, with the announcement that he will move, as the other sections of the bill are read, to strike them out; but the committee amendment has to be disposed of either now or after the reading of the bill.

The CHAIRMAN. The Chair sustains the point of order.

Mr. LONGWORTH. The committee amendment must first be read before the amendment of the gentleman from Massachusetts [Mr. WALSH] is in order. We have not had the committee amendment reported yet.

Mr. MANN of Illinois. No; the committee amendment has not yet been reported.

Mr. WALSH. I was not aware of that, Mr. Chairman, and I ask that my amendment may be withheld until the committee amendment has been read.

The CHAIRMAN. The gentleman from Massachusetts withdraws his amendment for the time being. Does the gentleman from Massachusetts [Mr. GREENE] offer his modified amendment?

Mr. GREENE of Massachusetts. Yes.

Mr. CANNON. If the gentleman will permit, my recollection is that the substitute was read at the beginning.

Mr. MANN of Illinois. Yes; on the first reading.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Massachusetts [Mr. GREENE].

The Clerk read as follows:

Strike out all after the enacting clause of the Senate bill, embracing all after line 2, page 1, down to and including line 18 of page 4, and insert the rest of the bill, beginning with line 19 on page 4 and ending with line 8 of page 7.

Mr. GREENE of Massachusetts. Mr. Chairman, I ask that it be read.

The CHAIRMAN. The Clerk will report it.

The Clerk read as follows:

That the United States Shipping Board be, and it is hereby, authorized and directed to investigate, adjust, liquidate, and pay the claims of individuals, firms, or corporations who built or contracted to build

wooden ships for the United States, the United States Shipping Board, or the United States Shipping Board Emergency Fleet Corporation after April 6, 1917, and said board shall adjust and liquidate each claim upon such terms as it shall determine from the facts in the case to be just and equitable, and may take into consideration, among other things, the conditions under which the contracts were entered into and the conditions under which the work was performed; and its decision shall be deemed conclusive and final, except as herein otherwise provided: *Provided*, That no claim shall be liquidated or paid unless it is alleged and found to be based upon a request or demand of the United States Shipping Board, the United States Shipping Board Emergency Fleet Corporation, or some officer or agent acting under the authority, direction, or instruction of said board or corporation, or either of them: *Provided further*, That no claim shall be liquidated or paid unless it is alleged such claims as shall be made hereunder and filed with the board within three months from and after the date when this act shall become a law: *And provided further*, That no claims shall be allowed and paid by said board unless it shall appear to its satisfaction that the expenditures made or obligations incurred by the claimant were made in good faith and upon assurances by the United States Shipping Board, the United States Shipping Board Emergency Fleet Corporation, or some officer or agent acting under the authority, direction, or instruction of said board or corporation, or either of them, that reimbursement would be provided for in money or contracts for additional work: *And provided further*, That no such claim shall be paid unless it shall appear to the satisfaction of said board that moneys were invested or obligations incurred subsequent to April 6, 1917, in a proper and legitimate attempt to produce ships for the needs of the Nation in connection with the prosecution of the war; and that no profits of any kind shall be included in the allowance of any of such claims, except upon completed ships or on ships partly constructed: *Provided*, That on ships partly constructed only such profits may be allowed on that part of the work of construction actually done at the time of the cancellation of contracts, or on work done thereafter on ships not canceled, as in the judgment of the Shipping Board are warranted by all the facts in the case; and that no investment for merely speculative purposes, or where under the facts it could not have been reasonably expected that ships would be built, shall be recognized in any manner by said board: *And provided further*, That the settlement of any claim arising under the provisions of this section shall not bar the United States Government, through any of its duly authorized agencies, or any committee of Congress hereafter duly appointed, from the right of review of such settlement, nor the right of the United States Shipping Board or the United States Shipping Board Emergency Fleet Corporation to recover any money paid by the Government to any party under and by virtue of the provisions of this section, if such settlement is affected by fraud or mistake of fact; and the right of recovery in all such cases shall extend against the executors, administrators, trustees in bankruptcy, heirs, assigns, and successors, whether by operation of law, consolidation, sale, or otherwise of any claimant or claimants.

A report of all proceedings under this section, including receipts and disbursements, shall be made to the Congress on the first Monday in December of each year.

The CHAIRMAN. The gentleman from Massachusetts [Mr. WALSH] offers a preferential motion, which the Clerk will report.

Mr. MANN of Illinois. The amendment has not all been read.

The CHAIRMAN. The Clerk will finish the reading of the amendment.

Mr. RAKER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. RAKER. The point of order is that the gentleman can offer but one section at a time, and it should be divisible. You can not offer an entire bill to the first section of the bill that he moves to strike out.

The CHAIRMAN. The Chair overrules the point of order. The Clerk will read.

The Clerk read as follows:

SEC. 2. That whenever the amount found to be due any claimant under the provisions of this act shall be unsatisfactory to the claimant, the claimant, within 90 days after the making of any such allowance or award, shall be entitled to reject such award and sue the United States to recover such sum as may be justly due under the terms and provisions of this act in the manner provided by section 24, paragraph 20, and section 145 of the Judicial Code, and the amount so determined by said court shall be paid by the United States Shipping Board in the same manner as awards made by the said board under section 1 of this act.

SEC. 3. That in determining the amount due any claimant the Shipping Board shall, among other things, take into consideration and charge to the claimant the then market value of any shipbuilding plant, lumber, or materials on hand belonging to the claimant used in the construction or acquired to be used in the construction of any wooden ship or shipbuilding plant, and also the salvage or usable value of any machinery or other appliances which were purchased to equip any wooden ship or shipbuilding plant.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Illinois [Mr. CHINDBLOM].

The Clerk read as follows:

Amendment offered by Mr. CHINDBLOM: Page 5, line 13, strike out the words "no claim shall be liquidated or paid unless it is alleged" and insert in lieu thereof the following: "Said board shall consider, approve, and dispose of only," so that the proviso involved shall read as follows:

"*Provided further*, That said board shall consider, approve, and dispose of only such claims as shall be made hereunder and filed with the board within three months from and after the date when this act shall become a law."

Mr. CHINDBLOM. Mr. Chairman, this proviso is stated correctly in the report, but for some reason was not stated correctly in the printed bill.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois [Mr. CHINDBLOM].

The amendment was agreed to.

The CHAIRMAN. Now, the Clerk will report the preferential amendment offered by the gentleman from Massachusetts [Mr. WALSH].

The Clerk read as follows:

Amendment offered by Mr. WALSH: Page 7, line 5, after the word "claimants" insert "*And provided further*, That no adjustment or settlement shall be made under the provisions of this act with any contractors or claimants who shall have submitted to the United States Shipping Board or to the United States Shipping Board Emergency Fleet Corporation any false or fraudulent claims prior to the passage of this act."

Mr. WALSH. Mr. Chairman, I understand that the gentlemen of the committee have no objection to that amendment. I think that might well be written into the law.

Mr. BANKHEAD. Mr. Chairman, I would like to ask the gentleman from Massachusetts upon what facts that have been disclosed, if any, does the gentleman predicate the offering of this amendment?

Mr. WALSH. Well, I do not care to go into the facts or name any specific instances, except to say that there is information upon file in the Shipping Board of instances where claims have been filed and found to have been false or fraudulent, and that when the claims were returned for adjustment the amount of the claim, in one instance, was not reduced a dollar, but certain items were eliminated and the amount of those items was distributed over other items in the claim, so that the total amount was as at first submitted.

Mr. BANKHEAD. Will the gentleman yield further for another suggestion?

Mr. WALSH. Yes.

Mr. BANKHEAD. It occurs to me that there might be this danger in the gentleman's amendment: The executive officers of a shipbuilding company, for instance, that was composed of a number of stockholders might, as a matter of fact, have presented a false or fraudulent claim for adjustment without the knowledge of the great majority of the innocent stockholders of the company, who as a matter of fact might have really a just claim for the balance against the Shipping Board for adjustment, and if the gentleman's amendment as now offered should be adopted it would absolutely preclude any consideration of the bona fides of any legitimate balance that the stockholders might have.

Mr. WALSH. The gentleman is making a statement that is not justified, and I think he will concede it is not justified. It would not prevent an adjustment of that claim. It would simply take it out of the adjustment under the provisions of this bill. That claim could be adjusted by the Shipping Board under other provisions upon strictly legal grounds.

Mr. BANKHEAD. I was not assuming a hostile attitude to the amendment per se, but it had just occurred to me that that might be an objectionable feature.

Mr. WALSH. I think the gentleman will reflect that the language of my amendment simply precludes adjustment under the provisions of this act.

Mr. LONGWORTH. The gentleman from Massachusetts is chairman of a committee which has investigated this matter?

Mr. WALSH. Investigated the expenditures of the Shipping Board.

Mr. LONGWORTH. And his investigation has brought out facts which in his judgment warrant him in offering this amendment?

Mr. WALSH. I will state that the investigations we have made lead me to believe that we ought not to pass legislation that later can be made the basis of claims that Congress intends to overlook any false or fraudulent claims or attempts to collect money based upon fraud in subsequent legislation. This will not hamper or hinder any claim which has been put forward by any claimant or contractor in good faith and which is based on equity and justice, but simply leaves the contractor who has attempted to collect money by fraud or by false claims to his remedy upon strictly legal grounds and does not permit him to come in on the same basis, upon the same footing, with these others for whose benefit this legislation is intended.

Mr. BENSON. Will the gentleman yield?

Mr. WALSH. Yes.

Mr. BENSON. Does not the gentleman think it would cover his entire proposition if he used the word "fraudulent" and left out "false," because a man might inadvertently put in a false claim, and thereby be precluded from all the benefits of this bill, without any intention of being fraudulent. If you limit your amendment to the word "fraudulent," I shall be inclined to vote for it, but when you say "false claims," then you make it incumbent upon the department to determine that there has been no false claim made anywhere at all, and you practically nullify this entire act by the use of the word



"false," because the department might hold that any claim was a false claim.

Mr. WALSH. I think the gentleman is exaggerating the danger of this amendment.

Mr. EAGLE. I think the gentleman will agree that the expression "false and fraudulent" has a very definite and well-understood meaning, which has been settled and passed upon in judicial decisions.

Mr. RAKER. Will the gentleman yield for a question?

Mr. WALSH. Yes.

Mr. RAKER. Under the proviso these claimants would have three months after the passage of this act within which to file their claims, would they not?

Mr. WALSH. Yes.

Mr. RAKER. Then the gentleman's provision would make it so that those who by mistake had filed a claim that contained any misrepresentations, even not intentional, before the passage of this act, could not have their claims considered, but all those who filed claims since the passage of the act could commit all the frauds and perjuries imaginable, and it would not exclude them under the gentleman's provision.

Mr. WALSH. This very act is passed for the purpose of protecting the Government, as I understand it, against false and fraudulent claims that may be submitted after the act passes.

Mr. RAKER. Why does not the gentleman strike out the words "prior to the passage of this act," so that anybody who presents a false or fraudulent claim will be barred from the benefits of the act?

Mr. WALSH. Because that is in the language of the bill, as I read it. Nobody who after this act passes comes in with a fraudulent claim can get the Shipping Board to settle it.

Mr. RAKER. So the gentleman is desirous of placing those who filed claims prior to the passage of the act in a different position from those who file claims subsequent to the passage of the act?

Mr. WALSH. No; my amendment provides that any contractor who presents a fraudulent and false claim prior to the passage of this act shall not be settled with under the terms of this act but shall be left to his strictly legal grounds.

Mr. MONTAGUE. Will the gentleman from Massachusetts permit me to ask a question?

Mr. WALSH. Certainly.

Mr. MONTAGUE. I did not catch his amendment fully, but did the gentleman consider this aspect of it: Should it not be "knowingly false"? Does the gentleman's amendment contain any qualification of the word "false"? Some men innocently make false claims. The question is, Do they knowingly do it?

Mr. WALSH. I do not think the word "knowingly" is necessary, but I am willing to modify my amendment upon the suggestion of the gentleman from Virginia [Mr. MONTAGUE] and I ask to modify it by inserting the word "knowingly" before the word "false."

Mr. EVANS of Nebraska. Will the gentleman yield?

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to modify his amendment by inserting the word "knowingly" before the word "false." Is there objection?

Mr. EVANS of Nebraska. I object.

The CHAIRMAN. The gentleman from Nebraska objects. An amendment to the amendment can be offered only by unanimous consent.

Mr. LONGWORTH. That is an amendment in the third degree.

Mr. BANKHEAD. What is the Chairman's authority for that sort of a ruling?

The CHAIRMAN. This is an amendment in the third degree. This is an amendment to an amendment which is sought to be amended by the amendment proposed by the gentleman from Massachusetts, which is now pending. That can be amended only by unanimous consent. The question is upon the adoption of the amendment to the amendment proposed by the gentleman from Massachusetts [Mr. WALSH].

The amendment to the amendment was agreed to.

Mr. HARDY of Texas and Mr. BANKHEAD rose.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. HARDY], a member of the committee.

Mr. HARDY of Texas. The gentleman from Alabama [Mr. BANKHEAD] is also a member of the committee.

The CHAIRMAN. The Chair recognized the gentleman from Texas because of his seniority on the committee.

Mr. HARDY of Texas. If it is in order to move to amend the bill in its entirety by inserting before the word "false" the word "knowingly", I offer that amendment.

Mr. MANN of Illinois. I make the point of order that the amendment is not in order.

Mr. HARDY of Texas. As I understand it the amendment just adopted is already a part of the bill.

The CHAIRMAN. It is not in order to amend an amendment that has already been agreed to.

Mr. HARDY of Texas. I offer to amend the bill as it now stands.

Mr. MANN of Illinois. The gentleman can not do that.

Mr. DAVIS of Tennessee. Mr. Chairman, I desire to offer an amendment to the committee amendment.

The CHAIRMAN. The gentleman from Tennessee submits an amendment which the clerk will report.

The clerk read as follows:

Amendment offered by Mr. DAVIS of Tennessee: Page 4, line 20, after the word "authorized" strike out the words "and directed."

Mr. DAVIS of Tennessee. Mr. Chairman and gentlemen of the committee, the committee amendment as reported proceeds upon the very violent assumption that every claim filed by these contractors will be a just claim and should be paid. In other words, it provides "that the United States Shipping Board be, and it is hereby, authorized and directed to investigate, adjust, liquidate, and pay the claims of individuals, firms, or corporations who built or contracted to build wooden ships," and so forth. Now, by striking out the words "and directed" it simply authorizes them to do so, the presumption, of course, being that they will do so when those claims are just and ought to be paid under the provisions of this act, and I do not think that we should go to the extent, and I do not believe that the Congress wants to go to the extent, of specifically directing the payment of every one of these claims that may be filed, no matter how unjust or fraudulent it may be.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. CHINDBLOM. I would like to inquire whether the gentleman has the same recollection that I have, that Judge Payne, chairman of the Shipping Board, preferred to have the word "directed" in the bill, because he said he did not want it to rest entirely on the discretion of the board as to whether they should take up these matters.

Mr. DAVIS of Tennessee. I do not remember that. I remember that the chairman of the Shipping Board stated in general terms that it was a matter for Congress to determine and he trusted that Congress would take some action in order that they might settle claims in some way. But I do not remember that he took any such position as the gentleman states, and I do not think he did take any position to the effect that we should instruct the Shipping Board to pay all the claims.

Mr. CHINDBLOM. I did not say that. What I said was that the Shipping Board would investigate the claims, and they will not pay unless they find something due. The question is whether we shall give them the duty of investigating the claims.

Mr. DAVIS of Tennessee. I have no objection whatever to an instruction to them to investigate, but this amendment goes further, it authorizes and directs them "to investigate, adjust, liquidate, and pay."

Mr. CHINDBLOM. They will not pay unless they find something due.

Mr. BARKLEY. Will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. BARKLEY. What does the gentleman say is the meaning of this language at the bottom of page 4 and the top of page 5: "And said board shall adjust and liquidate these claims upon such terms as it shall determine from the facts in the case to be just and equitable"?

If they find nothing justly due the claimant, nothing will be due and nothing will be paid.

Mr. DAVIS of Tennessee. Well, I have an amendment to offer to that. That proceeds on the theory that every claim is just and that something is to be paid under it, and they are simply to determine the amount due.

Mr. JUUL. Will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. JUUL. Suppose you had inserted in front of the word "claim" the word "valid," so that it would read "adjust and liquidate each valid claim." Would not that be satisfactory to the gentleman?

Mr. DAVIS of Tennessee. Yes; but they could not determine whether it was valid until they had made an investigation.

Mr. BARKLEY. If the gentleman's contention is correct, it seems to me that the words "investigate, adjust, and liquidate" ought to be stricken out because under the gentleman's interpretation all they could do is to pay.

Mr. DAVIS of Tennessee. Statutes are to be literally construed.

Mr. ROWE. Will the gentleman yield?

Mr. DAVIS of Tennessee. I will.

Mr. ROWE. On page 5 the gentleman will find language like this:

That no claim shall be liquidated or paid unless it is alleged and found to be based upon a request or demand of the United States Shipping Board, the United States Shipping Board Emergency Fleet Corporation, or some officer or agent acting under the authority, direction, or instruction of said board or corporation, or either of them.

Then, down in line 16, it reads:

And provided further, That no claims shall be allowed and paid by said board unless it shall appear to its satisfaction that the expenditures made or obligations incurred by the claimant were made in good faith and upon assurances by the United States Shipping Board \* \* \* that reimbursement would be provided for in money or contracts for additional work.

Mr. DAVIS of Tennessee. All of that might be true, and still there might not be anything justly due on the claim.

Mr. ROWE. Does the gentleman think that if they found there was nothing due they would allow something?

Mr. DAVIS of Tennessee. They are instructed to do so under the provisions of the proposed committee amendment.

Mr. BEE. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Tennessee. It occurs to me that the gentleman from Tennessee is too good a lawyer to seriously contend that the word "directed" ought to be stricken out of this amendment.

But, Mr. Chairman, I rose principally to say a word or two as to the general merits of the bill. It has been well said on the floor of the House that when the war came on this Government called for the building of ships through its authorized agents, guaranteeing, as far as men could be guaranteed, that they would be found whole at the end of the transaction. Men all over the country immediately went to work building these ships. The war came to an end and the men found themselves with the investment of a lifetime involved in this question. They found themselves not only with no profits, but found themselves faced with bankruptcy because, relying upon the good faith of the Government, they had gone into the investment for this purpose.

This bill, it occurs to me, carefully safeguards, carefully protects, the interests of the Government if we are going to have any confidence whatever in the integrity of the Government or the members of the Shipping Board. It sets out specifically what claims shall not be allowed and the circumstances under which claims shall be allowed.

Now, I have been very much interested in the discussion and statement of the gentleman from Massachusetts that prior to the time—and I direct the attention of the committee specifically to this statement in behalf of the justness of this measure—that prior to the time Judge Payne came on the Shipping Board, with a legal technical mind, looking to the interests of the Government, and said he believed there was a lack of authority upon the part of the Shipping Board to proceed with the settlement of this case, over 70 claims had been settled for; over 70 claimants had been paid their money. Those claims had been paid up to the time that Judge Payne made that decision, of which I do not complain but indorse, and stopped the payment of further claims.

Now, unless Congress directs the Shipping Board to proceed and investigate the obligations of the Government in this matter, under the power vested in the Shipping Board by Congress, this condition is going to prevail: That men with claims equally as equitable, equally as just, equally as entitled to settlement as those that have been paid, are going to find themselves defeated in the payment of their just claims because of this objection to further payment.

I have considered this bill carefully and I do not believe a man in this House wants the committee to put in any claim not authorized, in good conscience, but I do submit to this House that when these men under the powerful impulse and the persuasive power of the agents of the Government invested their money and built ships to meet the menace of the German submarine and sustain the valor and courage of the American soldier on the firing field that brought this war to an end, that in good conscience these men ought not to be cast into the darkness of bankruptcy because they trusted in the faith of their Government. [Applause.] That is all there is to it. If you have no confidence in the Shipping Board, then that is different.

Mr. HARDY of Texas. Mr. Chairman, it is a little out of order, but I ask unanimous consent to proceed in opposition to the amendment for five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HARDY of Texas. Mr. Chairman, the committee felt that it was not only right to authorize an investigation but

that it was proper to direct an investigation. Without the word "direct" the Shipping Board would be authorized to make no investigation at all. No man, except through hypercritical nicety of construction, can avoid reaching the conclusion—taking the whole bill together, with the proviso on page 5—that they were directed to make an investigation and were authorized to make an adjustment and payment, and it is provided that they shall pay no claim unless it shall appear to the satisfaction of the board that the expenditures made or obligations incurred by the claimant were made in good faith and upon assurance by the United States Shipping Board, United States Emergency Fleet Corporation, or some other agency or officer, acting under the authority, direction, or instruction of that board or either of them, that reimbursement would be provided for in money or contracts. There could be no reimbursement if there was no just claim. That is the plain meaning.

Mr. JUUL. Mr. Chairman, will the gentleman yield?

Mr. HARDY of Texas. Yes.

Mr. JUUL. The gentleman is a member of the committee?

Mr. HARDY of Texas. I am.

Mr. JUUL. Will the gentleman kindly inform me if Judge Payne appeared at any time before the committee and recommended this legislation?

Mr. HARDY of Texas. Oh, more than once. He was before us from the beginning to the end, saying that he would have gone ahead and exercised the authority to adjust and settle these claims, if he had had authority, but that he believed under the law he could not do it; he had no authority to do it.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman from Texas permit me to interrupt there so as to read Judge Payne's statement upon that?

Mr. JUUL. Permit me first to state to the gentleman from Texas [Mr. HARDY] that if Judge Payne was one of the men who recommended the bill, that is satisfactory to me. I wanted to draw that fact out.

Mr. HARDY of Texas. That is true, and the gentleman from Illinois will read his statement.

Mr. CHINDBLOM. Judge Payne said:

I have believed, and express it as my opinion, while I do not think we have a right as a matter of law to amortize the cost of those yards, that there was a moral obligation on the part of the Government to make the shipbuilders whole, and to pay what was just and equitable to that end.

Mr. HARDY of Texas. Let me supplement that by saying that this whole bill came up by reason of the fact that Judge Payne was anxious to have legal authority from Congress to make the settlement. Perhaps I would better express it by saying that Judge Payne was anxious to have Congress by law express its policy as to the payment or settlement of these claims, which he believed constituted a moral obligation, as he stated in that part of his testimony just read by Mr. CHINDBLOM.

Mr. JONES of Texas. Mr. Chairman, I would like to ask the gentleman if he would not clarify the whole situation by changing the language so as to make it read—directed to investigate and authorized to liquidate.

Mr. HARDY of Texas. Mr. Chairman, I would not have any objection to that change, but I think it is only a hypercritical parsing that would fail to reach the conclusion that nothing was to be paid unless it was authorized.

Mr. JONES of Texas. Mr. Chairman, I offer that as a substitute for the amendment that has been offered by the gentleman from Tennessee.

Mr. HARDY of Texas. I think it would be cumbersome and I think it would be unnecessary, because page 5 clarifies that.

The CHAIRMAN. The motion of the gentleman from Texas is not in order at this time.

Mr. JONES of Texas. Is it not in order to offer a substitute for an amendment that has already been offered?

The CHAIRMAN. The Chair thinks not.

Mr. JONES of Texas. It is not in order to offer an amendment, but it is in order to offer an amendment by way of substitute, even though in the third degree. I am not offering this as a direct amendment.

The CHAIRMAN. The Chair will read from the House Manual and Digest:

An amendment in the third degree is not specified by the rule and is not permissible, even when the third degree is in the nature of a substitute for an amendment to a substitute.

Mr. JONES of Texas. But, Mr. Chairman, I am not offering this as an amendment at all.

The CHAIRMAN. It is a substitute.

Mr. JONES of Texas. I am offering it purely as a substitute for the amendment, and it is always in order, even though an



amendment to an amendment is pending, to offer a complete substitute. This amendment is not offered as a dodge but as a complete substitute for the amendment, because it would change the meaning of the amendment. I offer to strike out on page 4, line 20, the words "authorized and" and insert before the word "adjust," in line 20, the words "and authorized."

The CHAIRMAN. The Chair is of the opinion that the motion of the gentleman from Texas is not in order and so holds.

Mr. JONES of Texas. Mr. Chairman, I respectfully appeal from the decision of the Chair.

The CHAIRMAN. The gentleman from Texas appeals from the decision of the Chair. The question is, Shall the decision of the Chair stand in the judgment of the committee?

The question was taken, and the Chair announced that the committee had determined that the decision of the Chair should stand as the judgment of the committee.

Mr. JONES of Texas. Mr. Chairman, I would like to say a few words before the vote is taken.

The CHAIRMAN. The vote has been taken and the judgment of the Chair has been sustained.

Mr. WINGO. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WINGO. I would like to know what is before the House? As I understand it, the committee has reported an amendment.

The CHAIRMAN. There is an amendment pending to that offered by the gentleman from Tennessee [Mr. DAVIS]. The question is on the amendment offered by the gentleman from Tennessee.

Mr. WINGO. And the Chair rules that you can not offer a substitute for an amendment to the amendment?

The CHAIRMAN. The Chair has so ruled.

Mr. WINGO. And the committee has sustained the ruling of the Chair on that proposition?

The CHAIRMAN. It has.

Mr. WINGO. I think we ought to have it framed, for that is a unique ruling.

Mr. WILLIAMS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WILLIAMS. When would an amendment be in order to add another section?

The CHAIRMAN. After that part of the bill has been reached. The question is on the amendment offered by the gentleman from Tennessee.

The question was taken; and on a division (demanded by Mr. DAVIS of Tennessee) there were—ayes 15, noes 47.

So the amendment was rejected.

Mr. PARRISH, Mr. JONES of Texas, and Mr. RAKER rose.

Mr. PARRISH. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 6, line 5, after the word "war," strike out the semicolon and the balance of line 5 and also all of lines 6, 7, 8, 9, 10, 11, 12, and all of line 13 down to and including the word "case."

Mr. PARRISH. Mr. Chairman and gentlemen of the committee, the provision of the bill that I seek to strike out by my amendment is as follows:

And that no profits of any kind shall be included in the allowance of any of such claims, except upon completed ships or on ships partly constructed: *Provided*, That on ships partly constructed only such profits may be allowed on that part of the work of construction actually done at the time of the cancellation of contracts, or on work done thereafter on ships not canceled, as in the judgment of the Shipping Board are warranted by all the facts in the case.

In other words, gentlemen of the committee, by this amendment I move to strike from the bill any provision that would allow a man who had engaged in the building of ships any profits whatever upon his contract as a whole.

I do not believe that a man who comes before the United States Government at this time demanding relief and asking for the payment of money if he has made a profit on part of his contract or profit on some ships that he has constructed and lost on other ships, I do not believe he should be permitted to come before the Government and collect one cent out of the United States Treasury. He should be made to take into consideration his dealings with the Government in this particular, and if he is gainer on the whole, no relief should be granted.

Mr. BARKLEY. Will the gentleman yield?

Mr. PARRISH. I will.

Mr. BARKLEY. This language in the bill seems to be a limitation upon profits. If the gentleman's amendment is carried, will it not leave it open to anybody to get a profit in any amount the board might allow?

Mr. PARRISH. No; I do not understand it to mean that.

Mr. BARKLEY. I am afraid that is what it is.

Mr. DAVIS of Tennessee. Will the gentleman yield?

Mr. PARRISH. I will.

Mr. DAVIS of Tennessee. I want to say to my colleague from Texas that the Senate bill has a provision down to the word "claims," on line 7, and Judge Payne, chairman of the Shipping Board, expressly stated in his opinion that there should be a provision against any profits. Now, I will state I had an amendment prepared to strike out, beginning with the word "except," in line 7, down to the word "case," in line 13, so as to provide specifically that no profit should be allowed, but if the gentleman's amendment goes on it will leave that discretionary with the Shipping Board as to whether they allow a profit.

Mr. PARRISH. Mr. Chairman, in view of the suggestion made by the gentleman I wish to ask unanimous consent to modify my amendment. Beginning on line 7, after the word "claims," strike out the balance of that line and lines 8, 9, 10, 11, 12, and 13, down to the word "case."

The CHAIRMAN. The gentleman asks unanimous consent to modify his amendment. Is there objection?

Mr. BENSON. Mr. Chairman, I object.

Mr. PARRISH. Well, Mr. Chairman, I shall go ahead. Gentlemen of the committee, I am absolutely opposed to giving to any man any profit whatever. There has come before the Committee on Mines and Mining on similar relief bills that have been passed by other Congresses men with this unjust proposition. They say that after war was declared on April 6 and up until September of that year they made a profit, but at that time the Government requested them to enlarge their plants, and they did so and lost from September to the end of the war. They do not want the Government to take into consideration the fact that they made a profit from the beginning of war. My purpose in offering this amendment is to knock out of this bill all semblance of profit. If my amendment does not do that, I want to correct the amendment so it will do that. My view of it is that—the Shipping Board having the welfare of the American people at heart—if we knock out this provision there will be no profits allowed.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PARRISH. Mr. Chairman, I ask for five minutes more. I have not taken any time on this bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none.

Mr. PARRISH. If we knock out all suggestion of profits the United States Shipping Board or those who settle this controversy will not allow any, and I do not believe we should allow any. It is not right. I want to say in all seriousness to the committee that prior to the signing of the armistice in 1918 all throughout our country representatives of the Government came before the cattlemen and farmers of our country and they said that it was necessary to have fats in order to win the war, and they urged the cattlemen of the West to go and buy cattle for feeding and fatten them so that the Government might have the fats in order to win the war. That was in September and October before the signing of the armistice in November. They not only said that but they urged the cattlemen and farmers to buy feeders and they did so and they paid high prices for them. The War Finance Corporation loaned the money and aided them in making those purchases. The armistice came on in November just after they had purchased these cattle. They had bought them at high prices. Then all the power of the Government, every possible force of the Government, was used to drive down the price of beef, which was in the interest of a majority of the people. They did drive down the price of beef, and the men who had acted as patriotically as ever a ship building contract man has acted were forced into bankruptcy and lost from \$50 to \$75 per head upon their cattle. Do you mean to tell them it is fair to settle with a man who made a shipbuilding contract, when the cattlemen and farmers of the western part of the country have done the things the Government asked them to do and because of that fact they have gone into bankruptcy—are you willing to say to them that they shall take out of the meager funds they have left and pay taxes to give these shipbuilding men a profit upon their contracts? I want to say that such a suggestion will not meet with the approval of the American people. [Applause.] It is repugnant to their sense of justice and right, and I hope every semblance of a profit will be stricken out of this bill. I ask for the adoption of my amendment, Mr. Chairman, because I believe that if it is adopted there will not be any profits included in any settlement that is made by the Shipping Board. Let us be fair and just to all the people of the United States. [Applause.]

Mr. JONES of Texas. Mr. Chairman, I desire to offer a substitute.

Mr. RAKER. Mr. Chairman, a parliamentary inquiry?

The CHAIRMAN. Let the substitute of the gentleman from Texas be reported first.

The Clerk read as follows:

Page 6, line 7, after the word "claims" strike out the remaining part of line 7, and lines 8, 9, 10, 11, 12, and all of line 13 down to and including the word "case."

The CHAIRMAN. Under a previous ruling of the Chair it is not in order.

Mr. JONES of Texas. On that I would like to call the Chair's attention to Rule XIX, which specifically, in words, says that it is in order. Under Rule XIX, page 359 of the Manual, it says:

When a motion or proposition is under consideration a motion to amend and a motion to amend that amendment shall be in order, and it shall also be in order to offer a further amendment in the way of a substitute, to which one amendment may be offered—

And so forth.

Mr. RAKER. Will the gentleman yield right there? There is nobody objecting to your amendment.

Mr. JONES of Texas. The Chair ruled it out of order.

Mr. MANN of Illinois. The gentleman slightly confuses that rule. What is under consideration here is the Senate bill, to which there is now pending a committee amendment. A substitute to that amendment would be in order, but this is an amendment to that amendment, and a substitute to the amendment to the amendment is not in order. According to that way you can get to the fourth degree.

Mr. JONES of Texas. This is not the committee amendment that is being considered, but is an amendment by a member of the committee to the amendment of the Senate.

Mr. MANN of Illinois. What is under consideration is a Senate bill, to which a committee amendment has been offered, and to which amendment an amendment is in order. You can not put in a substitute for an amendment to the amendment.

Mr. JONES of Texas. I would like to read to the gentleman further from this same rule. It says:

And it shall be in order to offer a further amendment by way of substitute, to which one amendment may be offered.

If the amendment is in order originally, then the substitute is in order, and one amendment to the substitute.

Mr. MANN of Illinois. I think the gentleman will see in a moment. Here the Senate bill is under consideration. An amendment to that Senate bill is offered and is in order. A substitute to that amendment is in order.

Mr. JONES of Texas. That is what I am offering.

Mr. MANN of Illinois. The gentleman is not. The gentleman is offering a substitute to the amendment to the amendment.

Mr. JONES of Texas. I can see no reason why the substitute should apply necessarily to the original amendment rather than to the amendment to the amendment. Does the gentleman contend that a substitute is not in order to an amendment to the amendment?

Mr. MANN of Illinois. Certainly not, because that would be an amendment in the fourth degree. An amendment to the substitute is then in order.

Mr. JONES of Texas. A substitute simply takes the place of the amendment. If the amendment is in order, the substitute is in order.

Mr. MANN of Illinois. Of course, if a point of order was not made. The amendment to the committee substitute is in order, but not a substitute to that amendment. A substitute to the original amendment is in order.

Mr. JONES of Texas. This language says an amendment is in order, and an amendment to the substitute is in order.

Mr. MANN of Illinois. The gentleman has not offered a substitute to the committee amendment.

Mr. JONES of Texas. I think the gentleman from Tennessee [Mr. DAVIS] first offered, perhaps, his amendment as a substitute, but the point of order was not made as to it.

Mr. MANN of Illinois. He is not required to offer his amendment as a substitute. His amendment is an amendment to the amendment.

The CHAIRMAN. The Chair is ready to rule on this question. The committee amendment is sought to be amended by the amendment offered by the gentleman from Texas [Mr. PARRISH]. The gentleman from Texas [Mr. JONES] does not seek to amend, but sends to the desk something he offers as a substitute. It is not in any sense a substitute. It merely perfects language and makes a certain change in the language of the amendment of the gentleman from Texas [Mr. PARRISH]. It is not a substitute, and the Chair so holds.

Mr. MANN of Illinois. Mr. Chairman, I desire to offer a preferential amendment. I move to amend by striking out, on page 6, lines 7 and 8, the language:

Except upon completed ships or on ships partly constructed.

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MANN of Illinois: Page 6, lines 7 and 8, after the word "claims" in line 7, strike out the words: "except upon completed ships or on ships partly constructed."

Mr. BLACK. A point of order, Mr. Chairman. We have an amendment pending.

Mr. MANN of Illinois. Mr. Chairman, as I understand, the gentleman from Texas has moved to strike out the language on page 6, commencing on line 5:

And that no profits of any kind shall be included in the allowance of any such claims, except upon completed ships or on ships partly constructed.

Now, I have offered a preferential amendment to correct the text before we vote upon the proposition to strike it out.

Mr. BLACK. I think that is all right. I withdraw my point of order.

The CHAIRMAN. The question is on the amendment of the gentleman from Illinois [Mr. MANN].

The question was taken, and the Chair announced that the ayes seemed to have it.

Mr. BANKHEAD. Division, Mr. Chairman.

The committee divided; and there were—ayes 46, noes 26.

Mr. BENSON. Mr. Chairman, I make the point of order there is no quorum present.

The CHAIRMAN. The question is on the amendment of the gentleman from Texas [Mr. PARRISH].

Mr. DAVIS of Tennessee. Mr. Chairman—

Mr. BENSON. Mr. Chairman, I make the point of order there is no quorum present.

The CHAIRMAN. The gentleman from Maryland makes the point of order that there is no quorum present; and the Chair will count.

The Chair proceeded to count.

Mr. BENSON. Mr. Chairman, I withdraw the point of no quorum.

The CHAIRMAN. The gentleman from Maryland withdraws the point of no quorum.

So the amendment was agreed to.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Texas [Mr. PARRISH].

Mr. DAVIS of Tennessee. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. DAVIS of Tennessee. I understand the question is on the amendment of the gentleman from Texas?

The CHAIRMAN. The question is on the amendment of the gentleman from Texas, as amended by the amendment of the gentleman from Illinois.

Mr. BLACK. That is not the amendment. The gentleman from Illinois did not offer an amendment to the amendment of the gentleman from Texas, because that would be an amendment in the third degree.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. PARRISH].

Mr. MANN of Illinois. Mr. Chairman, as I understand the amendment of the gentleman from Texas, he proposes to strike out the limitation in the bill providing the allowance of profit?

Mr. PARRISH. Mr. Chairman, I withdraw my amendment.

Mr. BENSON. I object, Mr. Chairman.

Mr. BARKLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman from Maryland objects. The question is on the adoption of the amendment of the gentleman from Texas [Mr. PARRISH].

The question was taken, and the amendment was rejected.

Mr. DAVIS of Tennessee and Mr. JONES of Texas rose.

The CHAIRMAN. The gentleman from Tennessee is recognized.

Mr. BARKLEY. Mr. Chairman—

The CHAIRMAN. For what purpose does the gentleman from Kentucky rise?

Mr. BARKLEY. To make a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BARKLEY. The amendment of the gentleman from Illinois [Mr. MANN] having been adopted, eliminating profit on completed ships and ships partly constructed, does the situation now still leave in the proviso, beginning on page 8, providing for profits on partially constructed ships? The amendment of the gentleman from Illinois only struck out certain language, beginning with the word "except," on line 7, and ending with the word "constructed," on line 8. The proviso provides how the Shipping Board may allow for the partly constructed ships.

The CHAIRMAN. The Chair has recognized the gentleman from Tennessee [Mr. DAVIS] to offer an amendment, which the Clerk will report.



The Clerk read as follows:

Amendment offered by Mr. DAVIS of Tennessee: Page 4, line 21, after the word "claims," insert the words "based upon contracts, express or implied."

Mr. DAVIS of Tennessee. Now, Mr. Chairman, it has been argued by those favoring this bill that no more was being sought than that to which the contractors were entitled, at least under an implied contract, and a comparison has been made between the bill under consideration and the Dent bill.

The Dent bill expressly provides that awards shall be based upon agreements, express or implied. I do not think that we should go any further at least than an implied contract. A number of speeches have been made appealing to the membership on the ground that these men who entered into these shipping contracts would be very greatly injured unless this bill were passed and they be given the relief it affords. It would be impossible for us to undertake to place in statu quo every citizen of this Republic who may have been injured, financially or otherwise, because of the war, or because of the unexpected termination thereof. We are not making any provision to pay manufacturers who constructed factories and obtained machinery and entered upon the manufacture of articles which would have been needed if the war had been continued, even though they were intending to sell them to the Government. They can not recover for any of that machinery or any of those buildings, nor even for any of those goods that were left on hand, unless they had an agreement, express or implied, to furnish such goods to the Government, and in that event they do not get any pay for the factories or machinery. It would be just as proper to pass a bill to make whole that large number of citizens who, by reason of the encouragement and importunities of Government officials, entered upon the growing of castor beans with the expectation of making a sale of them in case the war had continued and which they could have done, but which were left on their hands because the war terminated earlier than was expected. There are innumerable other instances where farmers patriotically responded to appeals, redoubled their efforts, and incurred heavy expense in an effort to help win the war, but who sustained heavy losses because of the unexpected termination of the war or because of other occurrences over which they had no control and for which they were in no sense responsible. Why neglect them and yet take care of these large contractors?

Comparison has been made with the Dent bill. You will recall that the statement has been made that there is nothing in this bill that is not in the Dent bill. I want to point out a single instance that occurred in my district, and I am sure that others know of similar instances. In the cases coming under the mineral provisions of the Dent bill men all over the country entered into contracts with the Government to mine needed ores of different kinds. One man in my district made a contract of that kind and spent several hundred dollars in excavating and mining in an effort to obtain a certain character of ore which was known to exist in that community. He was continuing this mining at the time the war terminated, and he was stopped in that work because of the armistice, and he filed his claim for the amount that he had expended under that contract, and the board denied him any award at all upon the ground that he had not been able to market any of the ores "in sufficient quantities to be of commercial importance," as was required under the provisions of the Dent bill itself. In other words, under the Dent bill, unless a man accomplished something, unless the Government was benefited in some material way, he can not recover under the express provisions of that bill. The Dent bill also expressly provides that there shall be no profit of any kind.

This bill goes far beyond the Dent bill in this and in other respects to which I have called attention, and I think it certainly ought to be amended; and if the gentlemen are correct in their statements that no effort is being made to pay out anything except what is based upon contract, either expressed or implied, I do not see how there can be any objection to the amendment which I have offered.

Mr. EDMONDS. Mr. Chairman, should the amendment proposed by the gentleman from Tennessee [Mr. DAVIS] pass, it would simply defeat the purposes of the bill.

The purposes of the bill, as we all understand, are to reimburse these shipbuilders for their capital expenditure. Certainly if they were working under contracts, either expressed or implied, there would be no question raised as to the return of capital expenditure. If this amendment passes you are going to make the bill virtually useless because you let the Shipping Board go on and make the settlements that they can already legally make, so that there will be no reimbursement for the yards whatever, because we all know that when these men went into the business there was no contract, expressed or implied, to build yards.

Mr. HARDY of Texas. Mr. Chairman, as just stated by the gentleman from Pennsylvania [Mr. EDMONDS], the amendment now offered by the gentleman from Tennessee [Mr. DAVIS] is simply destructive of the whole bill. Already and without any legislation any shipbuilder has a perfect right to recover for contract prices, whether the contract be expressed or implied.

Mr. BLACK. Mr. Chairman, will the gentleman yield?

Mr. HARDY of Texas. Just wait until I get through with this.

This bill is intended to cover cases which you can hardly call a contract, but which are described in the last part of page 5, where this language is employed:

That no claims shall be allowed and paid by said board unless it shall appear to its satisfaction that the expenditures made or obligations incurred by the claimant were made in good faith and upon assurances by the United States Shipping Board, the United States Shipping Board Emergency Fleet Corporation, or some officer or agent acting under the authority, direction, or instruction of said board or corporation, or either of them, that reimbursement would be provided for in money or contracts for additional work.

That is an arrangement that could hardly be called a contract, and yet it was an assurance held out to these men upon which they went to work, upon which they were urged to go to work. It is because of the vagueness of that assurance, and yet the positive inducement of that assurance, that this bill is rendered just and necessary. If it were a valid and binding contract, there would be no bill needed.

Mr. BLACK. Mr. Chairman, will the gentleman yield there for a moment?

Mr. HARDY of Texas. Yes.

Mr. BLACK. I understand, of course, that the Director of the Shipping Board would have the right to adjust legal contracts. I do not understand that we have got any law that would give him the right to pay and adjust an implied contract.

Mr. HARDY of Texas. Why, the gentleman knows that in law an implied contract is as binding as an expressed contract.

Mr. BLACK. Oh, no; we have no such thing as implied contracts with the Government. You must enter into a written contract with the Government if it is to be legal.

Mr. HARDY of Texas. The object of this bill is to meet conditions similar to those that prevail which have been covered by many other bills where a question might be raised as to the authority of the agent to make a contract binding on the Government. You may be right in saying that the Government is not legally bound by any implied contract. I know it is morally bound. Under the conditions then existing every patriotic impulse was called into effect, and this bill authorizes the payment of nothing unless it was for building ships under assurances by the Shipping Board that the people who incurred the expense would be compensated, yet you could not call it a contract; but common honesty demands that they be paid.

Mr. BENSON. Is it not a fact that the majority of these shipyards are new yards, where people went into these enterprises from patriotic motives, many of them putting all their money into these enterprises, and did it for Government purposes primarily and alone?

Mr. HARDY of Texas. I will say to the gentleman that that is the case with a vast majority of these people. Some of them had never had any shipbuilding experience, and went into it simply upon the urgent insistence of the Government and without contracts, but upon the assurance that they would be cared for—would be treated fairly.

Mr. RAKER. Will the gentleman yield for a question?

Mr. HARDY of Texas. Yes.

Mr. RAKER. With this amendment on the bill this legislation is ineffective?

Mr. HARDY of Texas. With this amendment on the bill it is of absolutely no effect.

Mr. BENSON. It is killed.

Mr. HARDY of Texas. Yes; it is worse than killed; it is made absurd.

Mr. MANN of Illinois. I make the point of order that debate on this amendment is exhausted.

The CHAIRMAN. The point of order is sustained. The question is on the amendment offered by the gentleman from Tennessee.

The question being taken, the amendment was rejected.

Mr. MANN of Illinois. I move to amend page 6, beginning in line 8, by striking out after the word "provided" the language:

That on ships partly constructed, only such profits may be allowed on that part of the work of construction actually done at the time of the cancellation of contracts, or on work done thereafter on ships not canceled, as in the judgment of the Shipping Board are warranted by all the facts in the case.

Mr. HUMPHREYS. Mr. Chairman, I offer a preferential amendment.

The CHAIRMAN. The Clerk will first report the amendment offered by the gentleman from Illinois [Mr. MANN].

The Clerk read as follows:

Amendment offered by Mr. MANN of Illinois: Page 6, line 8, after the word "provided" strike out all down to and including the word "and" in line 13.

Mr. MANN of Illinois. Mr. Chairman, the committee has already agreed to an amendment to strike out the language which would allow profits upon completed ships or on ships partly constructed and leaving in a provision forbidding the payment of any profit, but there was a proviso in the original amendment intended to be a limitation upon profits allowed upon completed ships or partly completed ships, which would allow certain profits. I have offered an amendment to strike that language out of the bill, so that the bill will provide that no profits of any kind shall be included in the allowance of any of the claims filed under this bill. That follows the action that the committee has already taken.

Mr. HARDY of Texas. Mr. Chairman, I wish to be heard in opposition to the amendment.

Mr. BENSON. Mr. Chairman, I want to make a point of order against that amendment. It is the same amendment that was offered by the gentleman from Texas [Mr. PARRISH].

Mr. BARKLEY. The point of order comes too late.

The CHAIRMAN. The point of order comes too late. There has been debate upon the amendment.

Mr. MANN of Illinois. It is not subject to a point of order anyhow.

Mr. HARDY of Texas. Mr. Chairman, I think the members of the committee who reported this bill really slept on their rights while the amendment offered by the gentleman from Illinois [Mr. MANN] was presented. We certainly did not present the views that were presented to the committee in favor of the inclusion of that paragraph in our committee bill. It was stated to us, and it is true, that some of these contractors completed contracts. They built ships and delivered them under contracts with the Government, under which they received, I believe, \$15,000 profit. It was not intended that this bill should upset or undo such contracts. They were not only moral obligations but legal obligations, and I do not believe the Congress has the right now to say that the Shipping Board, in settling claims, shall not allow a just and legal claim under a contract.

Mr. BLACK. Will the gentleman yield?

Mr. HARDY of Texas. I have only five minutes. Now, I understand that the object of this amendment is this, that if a man had a contract under which he was to have built 12 ships for the Government, and upon each ship he was to be allowed a profit of \$15,000 or \$25,000 or \$50,000, and in making that arrangement it was understood that \$10,000 of that profit was to go to the amortization and settlement of the cost of the plant which he was induced to construct in order to build these ships, and if he built five ships, and has been paid for them according to contract, when the Government cancels the balance of the contract, which was that they would give him enough ships to build so that he could amortize and pay for the building of his plant, then the Government would make him apply all his profits on completed ships instead of part of such profits, as agreed, to the amortization of his plant cost. The Government, because it has the power, says to these men with whom it had contracts, we will cancel your contract and we will not allow you any profit whatever on what you have actually done.

Not only that, but we will take what profits you have received on work done and apply it to your losses on work which you performed under our promise to reimburse you. That may be a favor to the Government, but it is not square with the contractor, and I believe the Government ought to be square with these people and pay them the profits on executed contracts which they are entitled to under the contract and in law, and then reimburse them for expenditures made on other work which was done at the request of the Government and under the Government's assurance of reimbursement.

This bill as drawn is just and fair and would meet every moral obligation that the Government had with these gentlemen, and we ought not to have adopted the amendment of the gentleman from Illinois. I do not know that any argument would have prevented its adoption, and I do not know what our position is now, except to leave it to be settled in conference.

Mr. HUMPHREYS. Mr. Chairman, I move to strike out, in line 9, page 6, the word "only"; in line 11, after the word "thereafter," insert "at the request of the Shipping Board"; and in line 12, after the word "canceled," insert the word "and."

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Mississippi.

The Clerk read as follows:

Page 6, line 9, after the word "constructed," strike out the word "only"; in line 11, after the word "thereafter," insert "at the request of the Shipping Board"; and, in line 12, after the word "canceled," insert the word "and."

Mr. HUMPHREYS. Mr. Chairman, the amendment, if adopted, would make the paragraph read as follows:

*Provided*, That on ships partly constructed such profits may be allowed on that part of the work of construction actually done at the time of the cancellation of contracts, or on work done thereafter at the request of the Shipping Board on ships not canceled and as in the judgment of the Shipping Board are warranted by all the facts in the case.

Now, Mr. Chairman, when the armistice was signed a number of these contracts were immediately canceled. On our entry into the war the Shipping Board and others representing the Government called a meeting of various gentlemen throughout the country, men who were not engaged in the business of building ships, and in answer to a cry that went up from England that the three great needs of the Allies were, first, ships; second, ships; and third, ships. In answer to this we undertook to build ships in order to enable us to win the war. These gentlemen assembled and were urged to embark in that enterprise. They undertook to build them, with the assurance given that they would be given contracts enough, at least, to make them whole. They did not wait to get contracts, either contracts in fact or implied contracts. They went to work to build the ships to supply the need that was foremost. They built the ways on which to construct the ships, and were going forward rapidly in building ships. The armistice came, and the contracts were canceled.

Now, certainly they ought to be permitted to have a reasonable profit on the ships they had actually built. The Shipping Board said we will stop building some ships and let them continue others, according to which is the cheapest for the Government. If it is more than half completed or three-quarters completed, the Government can make more out of it for them to be permitted to complete the building of the ships. But where it would cost more to complete the ships than it was worth they canceled it. They went to the shipbuilders and said, "Here is a ship that is not quite complete, and we want you to go on and finish it," and they did go on and finish it. Why ought not they to be permitted to have a reasonable profit? And their profits were not beyond reasonable. I submit that anything else than that is unfair. The Government does not want to repudiate any of its contracts or any of its indebtedness. These gentlemen were induced by the Government at the earnest solicitation of representatives of the Government to go into the building of ships, men not engaged in that business, but they did it as a patriotic duty.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DAVIS of Tennessee. Mr. Chairman, I desire to be recognized in opposition to the amendment. The amendment as proposed by the gentleman from Mississippi would go further than the committee amendment does. I think there is no question but that the amendment offered by the gentleman from Illinois should be adopted; that will leave the bill in this regard in the same condition as it passed the Senate. In that connection I wish further to call attention to the fact, as shown by the hearings, that Chairman Payne of the Shipping Board more than once stated that he did not think any provision should be made to allow these contractors any profit. He said that if the Government was willing to step in and take their ways and yards off their hands and make them whole, they ought to be satisfied. I think that is undoubtedly true. If this bill passes in its present form, men who had not finished a single ship will be paid \$200,000 or \$300,000 or \$400,000 for their shipways. These shipways involved in these amortization propositions, for which they are not entitled to pay under the contracts, as shown by the hearings, cost \$100,000, \$500,000, \$600,000, or \$700,000. Some of them that had not earned a profit upon a single ship, who had not completed a ship, and others who had completed one or two or three, will be paid these sums by the Government if this bill becomes a law. Is this Congress going to take that position—that we should go beyond all law and all contracts and pay them for these shipyards, for which they are not entitled to be paid under any existing law or under any contract, written or oral, express or implied, and at the same time pay all the profits to which they would have been entitled under their contracts?

Mr. PARRISH. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. PARRISH. I would ask the gentlemen on the committee if this amendment of the gentleman from Mississippi is adopted would we not thereby overcome the effect of the



amendment just adopted, offered by the gentleman from Illinois [Mr. MANN], and allow profits to be considered?

Mr. DAVIS of Tennessee. Yes. It would go further even than the committee amendment. I have already made that statement.

Mr. PARRISH. Unless we vote down the amendment offered by the gentleman from Mississippi, profits will be included in the bill?

Mr. DAVIS of Tennessee. Absolutely.

Mr. HARDY of Texas. Mr. Chairman, if the gentleman asked that question of members of the committee, I will simply say that the amendment which the gentleman from Mississippi offers is that work done after the armistice, at the instance of the Shipping Board, shall be paid for according to the contract of the Shipping Board, and I think it is eminently right that it should be.

Mr. DAVIS of Tennessee. Mr. Chairman, in response to the statement of the gentleman from Texas [Mr. HARDY], under the existing law these contractors can recover every penny that they are entitled to for the construction of the ships, either in whole or in part, just the same as if they had constructed them for an individual, or just the same as if the contract had been canceled by an individual corporation. There is no controversy about that, and every one of them who was willing to settle according to his contract and according to law has already been paid, to the extent of some 70 in number. It is not a question of cutting out the profits for those who are entitled to them under their contracts, but it is a question of going further than Congress has ever gone and paying out, in my opinion, some \$50,000,000 of the people's money when there is no authority either in the contracts or under existing law.

Mr. ROWE. Mr. Chairman, the people who are absolutely opposed to this bill—

Mr. BLACK. Mr. Chairman, I make the point of order that debate has been exhausted upon this amendment.

Mr. ROWE. Mr. Chairman, I hope everybody in favor of this bill will vote for the amendment.

Mr. MANN of Illinois. Everybody in favor of profits will vote for it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

The question was taken; and on a division (demanded by Mr. HUMPHREYS) there were—ayes 31, noes 46.

So the amendment was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Illinois [Mr. MANN].

The question was taken; and on a division (demanded by Mr. ROWE) there were—ayes 63, noes 24.

So the amendment was agreed to.

Mr. DAVIS of Tennessee. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Tennessee: Page 7, line 8, after the word "year" insert: "The Attorney General of the United States is hereby authorized and directed to assign counsel to represent the Government and protect its interests with regard to claims filed under the provisions of this act."

Mr. BARKLEY. Mr. Chairman, I reserve the point of order.

Mr. BANKHEAD. Mr. Chairman, I reserve the point of order.

Mr. JONES of Texas. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JONES of Texas. This seems to be an amendment to the second paragraph of this section.

The CHAIRMAN. The whole committee amendment is open to amendment.

Mr. DAVIS of Tennessee. Mr. Chairman, the reason for offering this amendment—

Mr. BANKHEAD. Mr. Chairman, I make the point of order against the amendment.

The CHAIRMAN. The gentleman will state the point of order.

Mr. BANKHEAD. Mr. Chairman, the amendment is not germane to the section or any provision of the bill. This bill has nothing to do with the exercise of any function or authority by the office of the Attorney General of the United States. It is a bill that relates exclusively to the Shipping Board and to the settlement of contracts with the Shipping Board by the contractors. It is an absolutely new thing to propose an exercise of authority by a different executive branch of the Government, requiring the Attorney General, who has no connection as a matter of law with the Shipping Board, to assert jurisdic-

tion over the activities or, at least, a branch of the Shipping Board. It is not germane to this section of the bill.

The CHAIRMAN. The Chair will hear the gentleman from Tennessee.

Mr. DAVIS of Tennessee. Mr. Chairman, this bill provides for the investigation of these claims and their liquidation and payment. The bill has numerous provisions with regard to the manner in which those investigations may be made.

Mr. HARDY of Texas. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. HARDY of Texas. Was it not in testimony before the committee that the Shipping Board itself has its own attorneys for the purpose of advising it with reference to its obligations and duties and assisting it in making investigations and things of that sort; that they had attorneys employed and paid a regular salary for that purpose?

Mr. DAVIS of Tennessee. I do not understand it that way. I understand that they have solicitors and counselors in the department, but I do not know of any evidence to the effect that they conducted these investigations or assembled evidence in behalf of the Government or represented the Government's interests at these hearings. As I understand, they are counselors in an advisory capacity.

Mr. BARKLEY. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. BARKLEY. Under the provisions of the original Shipping Board act authorizing them to employ not only clerical assistance but legal assistance, Judge Payne himself was chief counsel for the United States Shipping Board.

Mr. SABATH. Mr. Chairman, does the gentleman contend that that gives him the right—

Mr. BANKHEAD. Mr. Chairman, let us have this discussion confined to the point of order.

Mr. DAVIS of Tennessee. Mr. Chairman, as I started to say, this bill contains various different provisions as to the manner in which these claims are to be considered and the basis upon which they are to be allowed. It also provides that if these claimants are dissatisfied they may go into court.

Mr. EDMONDS. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. EDMONDS. I would like to ask the gentleman whether he thinks the present Democratic Shipping Board needs watching?

Mr. DAVIS of Tennessee. I do not think it needs watching any more than the interests of the people need watching in every court in the land. The Government, which is representing the people, has counsel in every district court and the various other courts to protect the public interests.

And you may rest assured that these claimants for these millions of dollars will have able counsel to work up their cases and present them before the board, and I think it is a small concession to say that the Government shall likewise have somebody there to represent its interests and to see that no more is allowed than is entitled to be allowed even under this far-reaching and extraordinary bill.

The CHAIRMAN. The Chair is ready to rule. The amendment offered by the gentleman from Tennessee [Mr. DAVIS] seeks to direct the Attorney General to perform certain duties and to do certain things. This act is to liquidate and settle claims of wooden-ship builders against the United States Shipping Board Emergency Fleet Corporation. The amendment of the gentleman from Tennessee seeks to direct another department of the Government to do certain things. It is clearly not within the purview of the legislation, and the point of order of the gentleman from Alabama is sustained.

Mr. BLACK. Mr. Chairman, I have an amendment which I desire to offer.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 5, line 8, after the word "upon" insert "an agreement, expressed or implied."

Mr. BLACK. Now, Mr. Chairman, the amendment I have offered—

Mr. CHINDBLOM. Mr. Chairman, I make the point of order.

The CHAIRMAN. The point of order of the gentleman comes too late; the gentleman has begun discussion.

Mr. CHINDBLOM. But he has not finished a single sentence.

Mr. BLACK. Mr. Chairman, it would not be subject to the point of order anyhow.

The CHAIRMAN. The Chair thinks the gentleman is entitled to proceed with the discussion.

Mr. BLACK. Mr. Chairman, the gentleman from Tennessee [Mr. DAVIS] offered a very similar amendment; in fact, I think if

his amendment had been adopted that mine would have been unnecessary. The effect of the amendment, if adopted, will be to restrict adjustments under this bill to such claims as are based upon an express or implied agreement. Now, the gentleman from Texas, my honored colleague [Mr. HARDY], stated in the debate on the amendment of the gentleman from Tennessee that if we adopt a provision of this kind it would kill the bill. Well, I undertake to say, Mr. Chairman, that if this bill contemplates the settlement of any other class of claims except those that were authorized either by express or implied agreement, the bill ought to be killed. During the time of the agitation for the building of wooden ships I recall that the secretary of the chamber of commerce of one of the cities in my State came into my office and asked that I accompany a delegation of Texans to the Shipping Board to see if they could not secure some contracts to build wooden ships, and I dare say that if this bill is passed that shipyard will come before the Shipping Board and claim that it was solicited and induced to build ships.

Now, then, Mr. Chairman, when we passed the bill that authorized the Secretary of War to adjust our war contracts we did not say, "Mr. Secretary of War, go out and pay millions of dollars of our money wherever you can find a claim based on a request or a demand of some agency representing the Government." We confined him to the settlement of transactions supported by an express or implied agreement. The word "request" as used in this bill is a mighty broad word. The word has been legally defined to be "asking for anything, the expression of a desire." It has been defined in the case of Kreider's Estate, 61, Atlantic Reporter, to be the expression of a desire. Well, of course, the Government of the United States expressed a desire that we have wooden ships built and steel ships built and every other kind of a ship, but I undertake to say that we ought not to write a bill that will give the Shipping Board the authority to adjust any other kind of transactions except those that are bottomed upon either an expressed or implied agreement.

Mr. RAKER. Will the gentleman yield?

Mr. BLACK. I will.

Mr. RAKER. On page 5, line 8, of this bill it is stated that this shall be done upon request or demand. Now, is it the gentleman's understanding that the legal interpretation has now placed upon those words "request and demand" by the various courts are applicable to this bill?

Mr. BLACK. Why, certainly. There is no peculiar technical use of the word "request" in the language of the bill, and it would be interpreted in the ordinary meaning of the word, and the safe thing for us to do is to write into this bill the same words that we wrote into the bill when we authorized the Secretary of War to adjust the war contracts, and here is what we said in that bill:

That the Secretary of War be, and he is hereby, authorized to adjust, pay, or discharge any agreement, expressed or implied.

Now, the gentleman from Texas [Mr. HARDY], in the speech that he made in opposition to a similar amendment, said that under the present law the Shipping Board would have the authority to adjust and pay an implied contract. Well, I would like to know where the gentleman gets authority for that, because the United States statutes provide that the Secretary of War or any other official of the United States Government, in order to bind the Government, must enter into a written contract, and it describes the formality that must be used in entering into these contracts, and it is for the very reason that under the law we now have no right to bind the United States Government except by a written contract that legislation of this kind is necessary. I am willing to vote for a bill which will authorize the Shipping Board to adjust and settle all claims which are based upon an agreement, expressed or implied, entered into with the Shipping Board or its authorized representatives, but I am not willing to go beyond that and for the reason that this bill goes entirely too far, I shall not support it.

Mr. HARDY of Texas. Mr. Chairman, if I understand the amendment—

Mr. WILLIAMS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WILLIAMS. Is this debate limited to the gentlemen from Texas?

Mr. HARDY of Texas. I hope this is not coming out of my time.

Mr. BLANTON. They are handling it very ably.

Mr. WILLIAMS. I know they are; but I only wanted to know.

The CHAIRMAN. The gentleman from Texas is a member of the committee and is entitled to preference. The Chair recognizes the gentleman from Texas.

Mr. HARDY of Texas. Mr. Chairman, it seems to me that the amendment, as I understand it, offered by the gentleman from Texas, is just a confusion of words and an expression of opposition to the bill generally. If a request or demand of the United States Shipping Board is not an agreement, either expressed or implied, to pay a reasonable compensation for the doing of the thing requested, it would certainly imply such; and surely such a request, accompanied by an assurance of compensation, would be an implied agreement to pay. If I asked the gentleman from Texas to do something for me, assuring him that I would reimburse him or that I would compensate him for the doing, that would be an implied agreement. The language in the bill is that the claim must be based upon a request or demand of the United States Shipping Board, and so forth, accompanied by the assurance that they will be reimbursed for the expenses incurred. Now, that may not constitute an implied agreement; it may not constitute an express agreement, in the gentleman's opinion who has just offered this amendment, but in my opinion it does, and the gentleman's amendment simply balls up the well-worded text of the bill and incorporates into it a lot of additional phrases and paragraphs which do not clarify the purpose of the bill, the purpose of the bill being plainly shown by first providing:

That no claim shall be paid unless it is based upon a request or demand of the United States Shipping Board.

And so forth, and—

And provided further, That no claims shall be allowed and paid by said board unless it shall appear to its satisfaction that the expenditures made or obligations incurred by the claimant were made in good faith and upon assurances by the United States Shipping Board, the United States Shipping Board Emergency Fleet Corporation, or some officer or agent acting under the authority, direction, or instruction of said board or corporation, or either of them, that reimbursement would be provided for in money or contracts for additional work.

If that would not be an implied contract, if it would not be an implied agreement, to compensate these men, there is no such thing as an implied agreement. But it does not meet the requirements, perhaps, of a contract with an officer clothed by law with power to make such a contract in the way it was made, and so constitutes perhaps only a moral obligation. And the gentleman wants to wipe out every obligation the Government has assumed by its agents, the Shipping Board and the Emergency Fleet Corporation, is going to the citizens and urging and demanding, and sometimes almost under duress forcing them, to utilize their facilities for shipbuilding unless such obligation is in form and substance a valid, binding contract enforceable at law.

Mr. BLACK. Will the gentleman yield?

Mr. HARDY of Texas. I will yield to the gentleman.

Mr. BLACK. What I wanted to ask the gentleman is this: If the words "agreement, express or implied" mean the same as "request," why does not the gentleman use them?

Mr. HARDY of Texas. They did not call it an agreement. They did not make it in the form of an agreement; they made a request and demand, and gave an assurance, which was an implied agreement, and you might quibble as to whether or not an agreement was made. But the meaning is plain. The Shipping Board went to these men, made their request, and assured them that they would be reimbursed, and I call it an agreement. Our committee endeavored simply to word the bill so as to apply to the actual conditions and be easily understood by everybody.

The CHAIRMAN. The question is on the adoption of the amendment of the gentleman from Texas [Mr. BLACK].

Mr. PARRISH. Let us have it reported again.

The CHAIRMAN. Without objection, the amendment will be again read.

The amendment was again reported.

The CHAIRMAN. The question is on the adoption of the amendment offered by the gentleman from Texas [Mr. BLACK].

The question was taken, and the Chair announced that the yeas seemed to have it.

Mr. BLACK. Division, Mr. Chairman.

The committee divided, and there were—ayes 22, yeas 81.

So the amendment was rejected.

Mr. DAVIS of Tennessee. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Tennessee offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Tennessee: Page 7, line 8, after the word "year," insert: "The Shipping Board is hereby authorized and directed to assign counsel to represent the Government and to protect its interest in the investigation and presentation of claims under the provisions of this act."



Mr. GREENE of Massachusetts. Mr. Chairman, I accept the amendment.

Mr. DAVIS of Tennessee. Do I understand that the committee accepts the amendment?

Mr. HARDY of Texas. We all think that amendment is all right.

The CHAIRMAN. The question is on the amendment of the gentleman from Tennessee [Mr. DAVIS].

The question was taken, and the amendment was agreed to.

Mr. DAVIS of Tennessee. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The gentleman from Tennessee offers a further amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Tennessee: Page 7, line 9, after the word "year," strike out all of section 2.

Mr. BANKHEAD. Mr. Chairman, has that section been read?

The CHAIRMAN. It has been read.

Mr. DAVIS of Tennessee. Mr. Chairman, I would like to make a little statement.

Mr. HUMPHREYS. I would like to make this suggestion to the gentleman: You say after the word "year." You put an amendment in just now—

Mr. DAVIS of Tennessee. It is to strike out section 2.

Mr. HUMPHREYS. Do not say after the word "year."

Mr. DAVIS of Tennessee. I just used one of these forms.

Mr. TINCER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TINCER. What portion of this bill has been read?

The CHAIRMAN. All of it has been read.

Mr. DAVIS of Tennessee. Mr. Chairman, my amendment as it has been read perhaps is incorrect in that an amendment has been adopted after the word "year." I want to modify my amendment so as to simply provide that it strike out section 2.

Mr. GREENE of Massachusetts. The committee does not object to that.

Mr. RAKER. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from California is recognized.

Mr. RAKER. Mr. Chairman, I shall support this bill. The amendment that struck out the section was unfortunate for those who expended the money and should have reasonable compensation.

I call the committee's attention to the fact that when the act of March 2, 1919, was passed it was intended to cover the war contracts and the mineral claimants who expended their money when it was necessary for the Government. The shipbuilding concerns along the eastern, southern, and western coasts are seeking relief by this legislation. I simply want to call your attention to this bill of yours. I believe you ought to have it. I believe these men ought to be compensated, but I want to call your attention to the bill H. R. 13091, reported by Mr. GARLAND from the Committee on Mines and Mining, that provides relief for the mining interests of the United States that expended their money and their time in the same way that these shipping contractors expended theirs; and when you vote for this legislation, which I believe you will, I do not want you to forget that there are other interests in the same position in this country and that require relief and consideration, merely from the fact that they happen to be in the interior and not upon the waterways where the ship industry is located.

And I ask unanimous consent, in this connection, that I may insert in the RECORD a copy of the bill H. R. 13091, which involves the same principle—the general provisions. It simply authorizes these people to go into the Court of Claims, as you are authorizing in this bill, to the end that they may have the right to adjudicate it by the court, and no man can object to a man appearing in our courts to have his case adjudicated.

The CHAIRMAN. The time of the gentleman has expired. The gentleman from California asks unanimous consent to insert certain printed matter in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. RAKER. The following is the bill to which I have referred:

A bill (H. R. 13091) to provide further for the relief of war minerals producers, and to amend an act entitled "An act to provide relief in cases of contracts connected with the prosecution of the war, and for other purposes," approved March 2, 1919.

Be it enacted, etc., That the second paragraph of section 5 of the act entitled "An act to provide relief in cases of contracts," connected with the prosecution of the war, and for other purposes," approved March 2, 1919, is hereby amended by striking out the words "that the decision of said Secretary shall be conclusive and final, subject to the limitations hereinafter provided" and the semicolon following such words.

The fourth paragraph of such section is hereby amended by inserting after the words "That nothing in this section shall be construed to confer jurisdiction upon any court to entertain a suit against the United States" a comma, and the following words: "except as provided in section 6."

SEC. 2. That such act of March 2, 1919, is hereby further amended by adding at the end thereof a new section to read as follows:

"SEC. 6. (a) That any claimant who has filed a claim under section 5 within three months after March 2, 1919, whose claim has been rejected, or who is not satisfied with the decision, adjustment, liquidation, or payment of net losses by the Secretary of the Interior under such section, may file a petition in the Court of Claims for the final determination of such losses. If before this section takes effect the Secretary has made a final decision of such claim, the petition must be filed within 90 days after this section takes effect; and in all other cases within 90 days after such final decision is made.

"(b) The Court of Claims is hereby given jurisdiction to hear such claims de novo and to render judgment in accordance with section 5 for such amount as it finds to be justly and equitably due to the claimant in adjustment, liquidation, or payment of such losses.

"(c) Any payments made to the claimant under section 5 shall be certified by the Secretary of the Interior to the Court of Claims, and after judgment has been rendered by the court no further payments shall be made under section 5 unless in conformity with such judgment.

"(d) The receipt of any amount, or the giving of any acquittance or release, by the claimant under section 5 shall not be a bar to the remedy provided for by this section; but if any amount has been awarded and paid under section 5, the petition may not be considered until the petitioner executes a bond in an amount and with sureties satisfactory to the chief clerk of the Court of Claims, conditioned that if the court finds that a less amount is due than has been awarded by the Secretary of the Interior, the claimant will forthwith pay to the United States so much of the amount received under section 5 as is in excess of the amount found due by the court. Any amount thus paid to the United States shall be credited to the funds available for the paying of awards under section 5 and of judgments under this section.

"(e) Upon the filing of a petition in the Court of Claims under this section, the Secretary of the Interior shall forthwith certify to the court all the testimony taken in the case and all documentary evidence introduced or considered by the Secretary or any commission appointed by his authority, and such testimony and evidence shall be used and considered by the court upon the hearing and trial of the claim, and shall be given such weight as the court may determine.

"(f) Each judgment rendered by the Court of Claims under this section shall be certified by the chief clerk of the court to the Secretary of the Treasury, who is hereby authorized and directed to pay to the claimant the amount of such judgment, out of the revolving fund created by section 6 of the act entitled 'An act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of those ores, metals, and minerals which have formerly been largely imported, or of which there is or may be an inadequate supply,' approved October 5, 1918, which fund shall remain available for such purpose until all such judgments have been paid: *Provided*, That when the amount of such judgments so paid, plus the payments made to claimants and the expenses of administration under section 5 of this act (after allowance for amounts repaid to the United States under subdivision (d) of this section), reach the sum of \$8,500,000 no further payments from such revolving fund shall be made by the Secretary of the Treasury under this section, or by the Secretary of the Interior under section 5."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. DAVIS].

The question was taken, and the Chair announced that the yeas seemed to have it.

Mr. DAVIS of Tennessee. Division, Mr. Chairman.

The committee divided; and there were—ayes 60, yeas 5.

So the amendment was agreed to.

Mr. DAVIS of Tennessee. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The gentleman from Tennessee offers a further amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Tennessee: Page 4, line 25, after the word "claim," insert "as to which the claimant may be entitled to an award under the provisions of this act."

Mr. DAVIS of Tennessee. Mr. Chairman, I wish to direct the attention of the members of the committee to this: When I offered the first amendment to strike out the words "and directed" other members of this committee referred to this language, which went on later to state "and said board shall adjust and liquidate each claim upon such terms as it shall determine from the facts in the case to be just and equitable." But I wish to call attention to the further fact that this language, beginning in line 25, page 4, states that "said board shall adjust and liquidate each claim."

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. CHINDBLOM. Let us be fair. The bill provides, "Said board shall then liquidate such claim upon such terms as they shall determine." It does not mean that they must liquidate the claims. It must be done on such terms as the board shall determine. Is not that a fair construction?

Mr. DAVIS of Tennessee. I do not think so. That is a difference of opinion between the gentleman from Illinois and myself. I think the language in a statute must be literally construed. It reads "shall \* \* \* liquidate each claim." It means liquidate, if it means what it says.

Mr. CHINDBLOM. Does the gentleman think it fair to take half a dozen words out of a sentence and conclude from those

half a dozen words what the whole thing means, or is it not fair to take the whole language?

Mr. DAVIS of Tennessee. Well, that is a meaningless question. I want to ask the gentleman if he has any objection to its being specifically shown that the intention is as you say it is, which I say is not true? What is the objection? Why can anybody object to this amendment? It will certainly clarify the situation and show that it is not the intention of the Congress to pay a claim unless it is one which should be allowed under the provisions of this act.

Mr. HARDY of Texas. Mr. Chairman, will the gentleman yield for a question right there?

Mr. DAVIS of Tennessee. Yes; I yield.

Mr. HARDY of Texas. Does the gentleman understand that in legal parlance a claim means a contention, or does a claim mean some right? In legal construction the very word "claim" does not mean anything that a man claims, but it means a right, an account, a just claim. When you say they shall settle a claim you do not mean that they are to settle each party's contention. The very language there conveys the idea that a man must have a claim before it is settled, not that a man may make a claim, but that he must have one.

Mr. DAVIS of Tennessee. It does not say, "investigate," but it says "adjust, settle, and liquidate." That assumes that he is entitled to something under his claim, and all that is to be determined by the board is the amount that is due on the claim.

Mr. HARDY of Texas. The amount that the claimant says is due—that would be the claim under your contention.

Mr. DAVIS of Tennessee. Oh, no.

Mr. LEHLBACH. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. LEHLBACH. Does the gentleman from Tennessee contend that the language used in lines 19, 20, and 21 of page 4, "that the United States Shipping Board be, and it is hereby, authorized and directed to investigate, adjust, liquidate, and pay the claims of individuals," and so forth, means that every claim must be paid?

Mr. DAVIS of Tennessee. I think so, as I have previously stated.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee [Mr. DAVIS].

The question was taken, and the amendment was rejected.

Mr. GREENE of Massachusetts. Mr. Chairman, I move that the committee rise and report the bill to the House.

Mr. DAVIS of Tennessee. Mr. Chairman, I have another amendment that I desire to offer.

The CHAIRMAN. The gentleman from Tennessee offers an amendment, which the Clerk will report.

Mr. TINCHER. Mr. Chairman, I have an amendment at the desk. Am I recognized?

The CHAIRMAN. The gentleman has not been recognized for the purpose of offering an amendment. The Clerk will report the amendment offered by the gentleman from Tennessee [Mr. DAVIS].

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Tennessee: Page 8, line 3, after the word "plant," strike out the period and insert "whenever the board shall be of opinion that the claimant is entitled to be compensated in whole or in part for such shipbuilding plant, machinery, appliances, or material."

Mr. DAVIS of Tennessee. Mr. Chairman, the reason for offering this amendment is this: Section 3 as it now reads assumes that every shipbuilding yard and the machinery and buildings and material will be paid for under this act in every instance when claim is made therefor. Now, while it is authorized, I think it will undoubtedly result, as members of the committee will probably concede, that there will probably be some claims in which they are not entitled to recover for those specified items, even under the extraordinary provisions of this bill, and this amendment simply limits the provisions as they now exist so as to apply them whenever the board shall be of the opinion that the claimant is entitled to be compensated, in whole or in part, for such shipbuilding plant, appliances, or material.

Mr. EDMONDS. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. EDMONDS. Does not this section just say that the board shall take into consideration those appliances, not that they shall allow for them positively but that they shall take them into consideration?

Mr. DAVIS of Tennessee. It says that "they shall, among other things, take them into consideration."

Mr. EDMONDS. It is a matter for them to determine what is the right thing to take into consideration and what is not the right thing to take into consideration. They can determine that for themselves.

Mr. DAVIS of Tennessee. Under other circumstances I think the contention of the gentleman from Pennsylvania [Mr. EDMONDS] would be entirely correct, but when it says they shall take it into consideration I think it should be modified by the language that I have offered in my amendment, and it certainly can do no harm.

Mr. LEHLBACH. Mr. Chairman, will the gentleman yield? The CHAIRMAN. Does the gentleman from Tennessee yield to the gentleman from New Jersey?

Mr. DAVIS of Tennessee. Yes.

Mr. LEHLBACH. Is not this a direction that they shall take into consideration and charge a set-off in favor of the Government?

Mr. DAVIS of Tennessee. Yes.

Mr. LEHLBACH. Why should there not be a set-off of the material as against the claim?

Mr. DAVIS of Tennessee. This authorizes the Government to pay, say, \$300,000 for an old shipbuilding plant, and they shall give the claimant credit for the actual value of the salvage, which may be \$25,000 or \$30,000, and I do not think they ought to be specifically instructed to pay for those things under all circumstances, but only in the case indicated in my amendment.

Mr. LEHLBACH. Only when there is an award in favor of the claimant is it directed that any of the material that the claimant has must be set off against the claim and the Government receive credit for it and deduct it from the amount paid to the claimant. Certainly it should be mandatory in order that the Government may be protected and given the full benefit of the set-off that the Government may have.

Mr. DAVIS of Tennessee. I simply propose in my amendment to limit it to cases where they are entitled to be paid for these properties. Of course, the Government should be given credit for the small salvage value of a plant for which it is to pay full value, but what I am objecting to is the assumption that the Government shall be directed to pay for such plants, except in the instances described in my proposed amendment.

Mr. HARDY of Texas. Mr. Chairman, I simply wish to say that the gentleman [Mr. LEHLBACH] who propounded the question a moment ago to the gentleman from Tennessee has presented the real issue, and I think the gentleman from Tennessee [Mr. DAVIS] must be laboring under some erroneous impression, because this section 3 is only a proviso to the effect that where the board is awarding a sum to somebody upon a claim under this bill they shall deduct from any allowances they may make the value of the shipyard that he holds back or has left on hand and also the value of machinery and material on hand as an offset. I can not see how anybody could fail to see that clearly, and I can not see how it could be made more clear than it is made in the bill.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee [Mr. DAVIS].

The question was taken, and the amendment was rejected.

Mr. TINCHER. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from Kansas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. TINCHER: Page 8, line 3, after the word "plant," insert a new section, to be known as section 5:

"That the Secretary of Agriculture be, and he is hereby, authorized and directed to investigate, determine, and pay the amount of the actual loss sustained by any person, firm, association, or corporation that owned actual wheat of the 1917 crop."

Mr. BANKHEAD. Mr. Chairman, a point of order. The amendment has been read far enough to show that it is patently subject to a point of order.

Mr. TINCHER. I want to have the amendment read.

The CHAIRMAN. Without objection, the amendment will be read.

Mr. GARNER. What is the use of having the amendment read if some gentleman is going to make the point of order against it, and it has already been read sufficiently to show that it is subject to a point of order?

Mr. TINCHER. My idea—

The CHAIRMAN. One moment. Does the gentleman desire to discuss the point of order?

Mr. TINCHER. I do; and I desire to have the amendment read, for fear that if the Chair should make an erroneous ruling on the point of order Members will not know what they are voting on if I should appeal from the decision of the Chair.

The CHAIRMAN. The gentleman asks unanimous consent that his amendment be read. Is there objection?

Several Members objected.

The CHAIRMAN. Objection is made. The gentleman will proceed.



Mr. BLACK. I make the point of order that the gentleman has a right to have his amendment read.

Mr. BLANTON. Of course he has.

The CHAIRMAN. The point of order of the gentleman from Texas is overruled. The gentleman from Kansas [Mr. TINCER] will proceed to discuss the point of order.

Mr. BLANTON. This is in behalf of the farmers.

Mr. TINCER. Mr. Chairman, I propose to discuss this point of order. The chairman of the Committee on the Merchant Marine and Fisheries and numerous other members of that committee have explained in this House this afternoon at least half a dozen times that the object of this legislation is to permit the United States Government to settle a moral obligation that it owes to certain contractors and people who built ships, contemplating selling them to the Government, but who did not have any legal right to collect.

Mr. BLANTON. Who had been seduced by the Shipping Board.

Mr. TINCER. Who, as has been suggested to me, were in a way influenced to build these plants.

Mr. HARDY of Texas. I will say that the committee has never—

Mr. TINCER. I decline to yield. I have offered an amendment that is germane to a bill of this kind and character, and for the purpose of fully informing the Chair of the contents of the amendment I will read it. It is offered as section 5 of this bill.

Mr. BANKHEAD. Mr. Chairman, I make a point of order.

Mr. TINCER. I do not yield.

Mr. BANKHEAD. The gentleman does not have to yield. I make a point of order.

The CHAIRMAN. The gentleman from Alabama makes a point of order, which he will state.

Mr. BANKHEAD. The gentleman can not do indirectly what he can not do directly.

The CHAIRMAN. The point of order is sustained. The gentleman will proceed in order.

Mr. TINCER. As I understand my position in this matter, I have offered an amendment. A point of order has been made to the amendment. The Chair has sustained it, and I can not read my amendment so as to show the Chair wherein he is in error in his ruling. I want to say to the chairman that this bill has for its purpose—

Mr. GARNER. Will the gentleman yield?

Mr. TINCER. This bill has for its purpose the settlement of legitimate moral obligations of the Government.

The CHAIRMAN. Does the gentleman from Kansas yield to the gentleman from Texas?

Mr. TINCER. No; I decline to yield.

Mr. BLANTON. Will the gentleman yield to me for just a moment?

Mr. TINCER. I would not want to discriminate between two gentlemen from Texas. I can not yield.

Mr. BLANTON. I have a question that I wish to ask the gentleman.

Mr. TINCER. I have not yielded.

The CHAIRMAN. The gentleman declines to yield.

Mr. TINCER. I want to say that the amendment is germane to the bill, in that it proposes to pay to a certain portion of the patriotic population of America 60 cents a bushel on every bushel of wheat which was confiscated by the Government by law, and we are not asking in this amendment to have the Government pay for anything that it did not receive full value for. We are not asking the Government to settle some imaginary claim, but asking it to pay a legitimate charge against the Treasury of this Government.

Mr. BANKHEAD. Mr. Chairman, I make the point of order that the gentleman ought to discuss the point of order, and I think it is the duty of the Chair to see that he does.

Mr. BLANTON. He is discussing it very fluently. [Laughter.]

The CHAIRMAN. The Chair is ready to rule.

Mr. TINCER. This is my first term in Congress, and I may not be up on the rules as much as the gentleman is.

Mr. GARNER. Will the gentleman yield?

Mr. TINCER. Yes.

Mr. GARNER. Let me suggest to my friend from Kansas that in order to facilitate—

The CHAIRMAN. The Chair is ready to rule.

Mr. GARNER. Let me suggest to the gentleman from Kansas that in order to facilitate the matter he get unanimous consent to extend his remarks in the RECORD and insert his bill and let us go on with business.

Mr. TINCER. No; I never have extended my remarks in the RECORD. I have always spoken what was printed in the RECORD as coming from me.

The CHAIRMAN. The Chair is ready to rule. This is a bill authorizing and directing the United States Shipping Board to adjust and pay the claims of wooden-ship builders arising out of the prosecution of the war, and for other purposes.

Mr. TINCER. I understand that.

The CHAIRMAN. The gentleman from Kansas has offered an amendment providing for the liquidation of the claims of wheat growers. This amendment is not germane to the bill before the committee, and the Chair, therefore, sustains the point of order made by the gentleman from Alabama [Mr. BANKHEAD].

Mr. WILLIAMS. Mr. Chairman, I have an amendment which I have sent to the Clerk's desk.

The CHAIRMAN. The Clerk will report.

The Clerk read as follows:

Page 8, line 4, after section 3, add the following, to be designated as section 4:

"Title 1, general provisions, definitions, section 1. This section may be cited as the World War adjusted compensation act."

Mr. BANKHEAD. Mr. Chairman, I make the point of order that that amendment is not germane.

Mr. BLANTON. Mr. Chairman, I desire to be heard on the point of order.

The CHAIRMAN. What is the gentleman's point of order?

Mr. BANKHEAD. I make the point of order that the amendment is not germane to the bill.

Mr. WILLIAMS. Mr. Chairman, it seems to me that there has not been a sufficient portion of the amendment read for the Chair to intelligently pass upon whether it is germane to the legislation or not.

Mr. BLANTON. Will the gentleman yield?

Mr. WILLIAMS. I do not. The amendment I offer is what is known as the Fordney soldiers' bonus bill for adjusted compensation. The bill we are considering here to-day is a bill for adjusted compensation for shipbuilding contractors. The only difference is that by the amendment I offer we are adjusting the compensation of a class of people in this country that the Government of the United States really owes something to, and it will improve the bill. [Applause.] The amendment is germane to the bill; this seems to be elementary. [Laughter.] It seems to me that Congress is ready to go out of its way to hunt up people and inquire if the Government does not owe them something. We are legislating for the payment of all kinds of claims, many of which in my judgment are questionable. We are now told in the closing hours of this session that the solid Democratic minority on that side and 35 or 40 Republicans on this side have joined to defeat all bonus legislation. [Cries of "Rule!" "Rule!"]

The CHAIRMAN. The Chair is ready to rule. It is quite obvious that the amendment offered by the gentleman from Illinois is not in order and the Chair sustains the point of order made by the gentleman from Alabama [Mr. BANKHEAD].

Mr. JONES of Texas. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 5, line 8, after the word "upon" strike out the words "a request or demand," and insert in lieu thereof the following: "an express or implied contract."

Mr. BENSON. I make the point of order on that that we have passed that provision.

The CHAIRMAN. The point of order is overruled because this is being considered as one amendment.

Mr. CHINDBLOM. I make the point of order, Mr. Chairman, that we have voted on the same proposition. This is the third time that it is sought to insert "contracts express or implied."

Mr. JONES of Texas. Mr. Chairman, the provision of the amendment offered by my colleague did not strike out the words request or demand, and therefore left an entirely different meaning to the language. The amendment that my colleague offered said "express or implied," but left in the bill the words request or demand, so that under its terms you could have adjusted compensation not only on an express or implied contract but on a request or demand. Now, I move to strike out the words request or demand and limit it entirely to contracts express or implied.

The CHAIRMAN. The Chair is ready to rule. In reference to the point of order, in order to come within the objection contemplated by the rule that the amendment has been offered heretofore, the amendments must be identical. This is not identical with the former amendment, and therefore the point of order raised by the gentleman from Illinois [Mr. CHINDBLOM] is overruled.

Mr. JONES of Texas. Mr. Chairman, I want to say this: Under the terms of this bill as written, if the Government simply made a request for a wooden ship and a man went ahead

and built the ship, he is entitled to compensation, regardless of whether there was anything in the nature of a contract. I live in a wheat section. There were thousands of bushels of wheat last year that rotted on the ground because there was no way to move the wheat to market. The Government requested the people to plant and grow wheat. They doubled their acreage, and the yield was far beyond the granary facilities. If it is right on a request to build a wooden ship, to compensate the builder in the absence of any contract expressed or implied, it is right for people in my district, where the wheat rotted on the ground, to come in and claim compensation because the Government requested them to plant wheat, which wheat rotted because of lack of a market due to a car shortage.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. JONES of Texas. Yes.

Mr. CHINDBLOM. Has the gentleman observed that it is not the request or demand of the Government generally?

Mr. JONES of Texas. That is what I am complaining about. You are favoring the ship-building people and are not favoring the man who produced.

Mr. CHINDBLOM. But the gentleman will observe that this demand must be made by the Shipping Board, or some one authorized to speak for the Shipping Board.

Mr. JONES of Texas. Well, high officials fully authorized requested us to plant wheat in this country, and the Congress of the United States passed a law guaranteeing them returns on the wheat, and yet those people could not get the return for their wheat, because there were not transportation facilities to get it to market. They sold wheat in my section for \$1.25 per bushel, because there was no market for it. How are you going to justify paying the man because the Shipping Board requested him to build a wooden ship and not compensate the wheat grower when the United States through its officials made the same request on him? I say that the bill should be killed, because if you are going to pay people all over the country because the Government requested them to do a certain thing you should pay them all, and if you did that you would have enough claims to bankrupt this, the richest and finest Government that was ever fashioned by human intelligence. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. JONES].

The question was taken, and the amendment was rejected.

Mr. EVANS of Nebraska. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Strike out section 1 of the committee amendment.

Mr. EVANS of Nebraska. Mr. Chairman and gentlemen of the committee, I am against this bill. [Applause.] I am against it because it is wrong in principle and because it is wrong in form. I wish to call your attention to the fact that you can not by reading this bill tell upon what state of facts any claimant's claim will be based. There is absolutely nothing in the bill that indicates upon what ground any claimant shall recover from the Government.

The only thing which indicates in the bill from beginning to end upon what there is a right to recover is in the last section, which limits somewhat the claim. The next thing that is the matter with it is that the board that shall conduct the operations out of which the alleged claims are to come is the very agency which suggests the preparation and presentation of this bill. The Government has no right of appeal, but they do camouflage the matter, as will be seen if you will turn to page 6 of the bill, line 17, where they pretend to say that they have given the Government a right to appeal from a recovery. Lines 16, 17, 18, 19, 20, and 21, page 6, down to the word "settlement," and including it, permit an investigation, but it is by bodies or agencies which could not possibly secure a return to the Government of anything unlawfully taken. From line 21, including the word "nor" to the word "fact," in line 1, on page 7, you find the opportunity granted to the board, which wishes this act passed, to institute a suit to recover in case of fraud or mistakes, and for no other reason. You have already amended your bill to permit the same board to select the attorney to represent the Government.

Mr. ROWE. Mr. Chairman, in opposition to the amendment I desire to say that if adopted it would destroy the bill. Certainly this House wants to be fair to the men who built the wooden ships. The committee voted 20 to 1 to report this bill in its present form. The gentleman from Nebraska is absolutely against paying these claims. Very many of them were constructed under contract—most of them were. The builders acted in the interest of the Nation. They believed, and the Shipping Board believed, that we must build wooden ships, steel ships, and every kind of ship to carry our goods and sol-

diers to the other side. I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska.

The question was taken; and on a division (demanded by Mr. EVANS of Nebraska) there were—ayes 35, noes 66.

So the amendment was rejected.

Mr. BLANTON. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 8, line 3, after the word "plant," insert the following proviso, to wit: "Provided further, That should the Shipping Board find in the United States anybody else other than farmers and soldiers who want some of the public money, to hand out to them all they want."

Mr. BANKHEAD. Mr. Chairman, I make the point of order that the amendment is not germane.

The CHAIRMAN. The point of order is sustained.

Mr. GREENE of Massachusetts. Mr. Chairman, I move to strike out sections 2 and 3 of the Senate bill.

The CHAIRMAN. The first question is on the adoption of the committee amendment as amended in Committee of the Whole.

The committee amendment was agreed to.

The CHAIRMAN. The question is on the motion of the gentleman from Massachusetts to strike out sections 2 and 3 of the Senate amendment.

Mr. EDMONDS. Mr. Chairman, I ask unanimous consent that the Clerk renumber the sections.

The CHAIRMAN. The Clerk has that right anyway.

Mr. GREENE of Massachusetts. Mr. Chairman, I move that the committee do now rise and report the bill as amended—

The CHAIRMAN. The gentleman asks unanimous consent to strike out sections 2 and 3 of the Senate bill. Is there objection?

Mr. WINGO. Mr. Chairman, reserving the right to object, I thought I heard the Chair just now state that the question was to be taken upon adopting the amendments agreed to in Committee of the Whole House.

The CHAIRMAN. The question was on adopting the committee amendment as amended in Committee of the Whole House.

Mr. WINGO. The amendments of the Committee of the Whole House? What does the Chair mean by that? Of course, the Chair did not intend that.

The CHAIRMAN. The committee amendment had to be agreed to by formal motion inasmuch as the entire bill was stricken out.

Mr. WINGO. Mr. Chairman, is the committee amendment one amendment as reported by the Committee on the Merchant Marine and Fisheries?

The CHAIRMAN. Yes.

Mr. HARDY of Texas. Mr. Chairman, I am not a parliamentarian, but as I understand the status of the matter, in the beginning the gentleman from Massachusetts [Mr. GREENE] made the motion to strike out all of the Senate bill after the enacting clause and substitute the House bill as one amendment. That motion has been pending while we have been perfecting that amendment. The gentleman from Massachusetts now calls up his original motion and it has been put and adopted, as I understand. I think that the motion of the gentleman to rise and report the bill as amended is in order.

Mr. MONTAGUE. Mr. Chairman, may I suggest that the appropriate motion is to report the Senate bill as amended?

Mr. WALSH. But we have not got to the point of reporting it as yet.

Mr. TILSON. Mr. Chairman, to clear this matter up, there is but one amendment pending. That amendment has been amended in a number of places. As it stands now there is but one amendment pending, although it has been patched considerably. That ought to be adopted.

The CHAIRMAN. That has been agreed to.

Mr. TILSON. Then there is nothing left but to strike out the sections which the gentleman from Massachusetts gave notice that he would move to strike out.

Mr. GREENE of Massachusetts. I move to strike out sections 2 and 3 of the Senate bill.

Mr. WALSH. Mr. Chairman, section 2 of the Senate bill ought to be read, and then the motion of the gentleman from Massachusetts to strike out ought to be put and voted on.

Mr. GREENE of Massachusetts. It has been read.

The CHAIRMAN. Is there objection?

Mr. SABATH. What is the request?

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to strike out sections 2 and 3 of the bill as reported from the Senate. Is there objection?

Mr. SABATH. Mr. Chairman, I object.



Mr. WINGO. Mr. Chairman, I make a point of order on that—

Mr. HARDY of Texas. Mr. Chairman, a point of order. I think a recurrence to the Clerk's notes will show that the gentleman from Massachusetts [Mr. GREENE] had moved to amend section 1 of the Senate bill, and later on made the motion in this form, to strike out all after the enacting clause of the Senate bill and insert in lieu thereof the House bill.

Mr. WALSH. If that motion was made it was not in order.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 2. That a report of all operations under this section, including receipts and disbursements, shall be made to Congress on or before the first Monday in December of each year: *Provided*, That in the event any claimant shall be dissatisfied with any allowance or award made by said board pursuant hereto, such claimant may appeal therefrom with respect thereto to the Court of Claims, which is hereby given jurisdiction to make such allowances and awards, in the case of such appeals, as it may deem just and equitable.

Mr. GREENE of Massachusetts. Mr. Chairman, I move to strike out the section.

Mr. GARNER. Mr. Chairman, just one word concerning this amendment, or policy, rather, that the House and Senate have gotten into in reference to passing bills of this character. Now, we strike out all after the enacting clause and substitute what is known as the House bill and ask for a conference. Then the gentlemen will come into the House and ask unanimous consent to send this bill to conference, and under the rules governing the House and under the rules governing the Senate we delegate to the conferees the right to make law. They can put anything on earth that is germane to this bill on the conference report and no one can get up on the floor of the House and exercise the right to make a point of order against it, whereas if we had amended the Senate bill as we ought to have done instead of striking out all after the enacting clause, and if we had put in the proper amendments, it could have gone to conference and the conferees would have been limited to the substantial differences between the two Houses. But in going to conference on this bill now under present conditions they will have absolutely plenary power to write the law which we will have to vote up or down, and anything germane to the House bill or Senate bill will be in order. It is a bad way to legislate. The Senate also has gotten into the habit of striking out all after the enacting clause of the House bill and inserting the Senate bill, thereby delegating to the conferees of the two Houses power to make law, which ought not to be done.

Mr. GREENE of Massachusetts. Mr. Chairman, I desire to say, as the chairman of a committee representing the House, I try not to do anything unfair, whether we get any legislation or not.

The CHAIRMAN. The question is on striking out the section.

The question was taken, and the motion was agreed to.

Mr. GREENE of Massachusetts. I ask that section 3 be read.

The Clerk read as follows:

SEC. 3. That nothing in this section shall be construed to confer jurisdiction upon any court to entertain a suit against the United States: *Provided*, That in determining the net losses of any claimant the Shipping Board shall, among other things, take into consideration and charge to the claimant the then market value of any such plants or the lumber or materials on hand belonging to the claimant and acquired to be used in the construction of any wooden-ship building plant, and also the salvage or usable value of any machinery or other appliances which may be claimed was purchased to equip any wooden-ship building plant, for the purpose of complying with the request or demand of the agencies of the Government above mentioned in the manner aforesaid: *Provided further*, That nothing in this act shall be held or construed to delay or excuse prompt settlement of any claims that can be settled under existing law.

Mr. GREENE of Massachusetts. Mr. Chairman, I move to strike out section 3.

Mr. SABATH. Mr. Chairman, I desire to be heard on that motion.

The CHAIRMAN. The Chair will recognize the gentleman from Illinois.

Mr. SABATH. Mr. Chairman, several times this afternoon during debate it has been stated that up to the time the Hon. John Barton Payne was made the head of the United States Shipping Board a large number of these claims had been settled, but upon his request the proposed legislation has been sought because he has refused to sanction the further settlement of the claims submitted on the part of the wooden-ship builders. I have the honor and pleasure of knowing John Barton Payne for upward of 25 years. I know him to be a fair, honest, and liberal man, and I am satisfied that if he has refused to settle these claims he had a good and valid reason for doing so. [Applause.]

Mr. WALSH. Will the gentleman yield?

Mr. SABATH. And it is for that reason I am opposed to this legislation, for I am satisfied that if there had been any merit

or justification in making allowance he would have gladly followed the footsteps of his predecessors.

Mr. HARDY of Texas. Will the gentleman yield?

Mr. SABATH. I have not the time; if the gentleman will give me five minutes more time I will yield to all. You gentlemen on this side—the Republican side—have for months been preaching and advocating economy, economy, objecting to needed appropriations that meant the expenditure of only a few thousand dollars, and here, without any justification, you are bringing in a bill which means the expenditure of over \$25,000,000.

Mr. BLANTON. Maybe \$50,000,000.

Mr. SABATH. Yes; it may be even \$50,000,000; the committee has admitted it may reach the sum of \$25,000,000, and still I find only one or two Members on the Republican side who are opposed to this measure authorizing an outlay of millions of dollars. True, the gentleman from Kansas [Mr. CAMPBELL] has made a speech against the bill, but the moment he delivered himself of his usual charge he left the floor and is not here now to aid in the defeat of the bill or to make good his statement charging that 49 Republicans and all of the Democrats were responsible for the delay in bringing forth the bonus bill. I do not know whether there are only 49 or 109 Republicans opposed to the bonus bill, but I do know that his statement that all the Democrats are against the bill is untrue, and I venture to say there are as many Republicans opposed to the bill as Democrats. If opportunity is given the membership of this House to vote on the question, I am satisfied it will be clearly shown that the accusation of the gentleman from Kansas [Mr. CAMPBELL] against the Democratic side is unjustifiable, unfair, unwarrantable, and untrue. He is chairman of the Rules Committee, the majority of which are Republicans, and, if not mistaken, he also controls the steering committee of his party. If they are on the square and desirous of enacting bonus legislation, they can do so. They are absolutely in control, constituting a majority of the Rules Committee and having a majority of over 40 in the House membership. Consequently it comes with poor grace to try to befog the real conditions surrounding their so-called sincere consideration of the bonus proposition and their attempt to blame the Democratic side for their own inaction these many months and their failure to report the bill. But let me go back to this contractors' or shipbuilders' \$25,000,000 bill.

It is remarkable what strenuous efforts are being made to relieve these 40 or 50 "poor," "unfortunate," and "patriotic" shipbuilding corporations. It is my opinion that if only half as hard an effort had been made for the consideration of the bonus legislation on the part of the Republican leaders, this long-promised and deserved legislation in behalf of the 4,000,000 men who served the country in its hour of need could now be in force. For some reason special industries can at all times secure your ear and your aid, but it is always impossible for you to act on any legislation in the interest of the people.

The baseless insinuation of the gentleman from Kansas [Mr. CAMPBELL] that the Democrats are responsible for the delay in the consideration of the bonus legislation will not fool the 4,000,000 deserving World War veterans. They will know whom to hold accountable if action is not taken. I know a majority of the Democrats are ready and have been waiting many weeks for an opportunity to vote for a war bonus for the soldiers, for a bill that is not a sham, for one that will actually show the Nation's appreciation of their services. During the consideration of this bill I have anxiously waited to note what explanation or what position the Republican leaders, who day in and day out have preached economy, pointing out how many hundreds and thousands of dollars they have saved the Nation, would take on this measure, which means a reward of from \$25,000,000 to \$50,000,000 to these great "patriotic" wooden-ship building corporations; and, though we are about to take a vote, not a single one of these leaders, with the exception of the gentleman from Kansas [Mr. CAMPBELL], had a word to say in opposition to this uncalculated and, to my mind, outrageous piece of legislation. Now, I want to know if you are ready to legislate and vote for this bill, when will you be ready to bring in the bonus bill—

Mr. BARKLEY. Mr. Chairman, I desire to say that the gentleman is not discussing the amendment.

Mr. SABATH. I am discussing something in which 4,000,000 of our best and bravest are interested.

The CHAIRMAN. The point of order is sustained. The time of the gentleman has expired.

The question is on the motion of the gentleman from Massachusetts to strike out the section.

The question was taken, and the motion was agreed to.

Mr. GREENE of Massachusetts. Mr. Chairman, I move that the committee do now rise and report the bill with amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. McARTHUR, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill S. 3451 had directed him to report the same back with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. GREENE of Massachusetts. Mr. Speaker, I move the previous question on the bill and amendment to final passage.

The previous question was ordered.

The SPEAKER. The question is on the amendment.

The question was taken, and the Speaker announced the ayes seemed to have it.

Mr. RAKER. Mr. Speaker, division.

The SPEAKER. The gentleman from California demands a division.

The House divided; and there were—ayes 87, noes 19.

Mr. RAKER. Mr. Speaker, I make the point of order that there is no quorum present.

Mr. SABATH. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. Would the gentleman rather have it on the vote?

Mr. RAKER. I would rather have it on the amendment; and I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from California makes the point of order that there is no quorum present. The Chair will count.

Mr. WALSH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WALSH. If the Chair should declare that no quorum is present, will there be an automatic roll call or will it be necessary for a call of the House to be ordered?

The SPEAKER. It will be necessary to move a call of the House.

Mr. RAKER. Mr. Speaker, we have had a division.

Mr. BANKHEAD. We must first dispose of the constitutional provision.

Mr. RAKER. Mr. Speaker, division has been had, and we have had a vote.

The SPEAKER. The Chair did not declare the result.

Mr. RAKER. Mr. Speaker, a point of order.

Mr. WALSH. Mr. Speaker, another point of order is not in order while the Chair is ascertaining the count.

The SPEAKER. If the gentleman from California will withdraw his point of no quorum temporarily, he can make the point of order later.

Mr. RAKER. I withdraw it temporarily. There is a division, and if there is a point that no quorum is present, do we not have automatically a yea-and-nay vote on the amendment?

The SPEAKER. As long as a division is pending. This was made after a division had been announced.

Mr. RAKER. I was on my feet and made the point of no quorum.

The SPEAKER. If the gentleman says he intended to do it—

Mr. RAKER. I was on my feet and was waiting for the purpose of getting a roll call on the amendment.

The SPEAKER. If the gentleman states that, he has the right—

Mr. RAKER. I made the point of no quorum so as to get a roll call on the amendment.

Mr. WALSH. Mr. Speaker, I make the point of order that, the gentleman having withdrawn his point of order of no quorum, even though temporarily, on the suggestion of the Chair, the House is not now dividing and there will not be an automatic roll call. [Applause.]

The SPEAKER. That is rather embarrassing to the Chair. The Chair did not mean to lead the gentleman into that. However, the Chair overrules the point of order of the gentleman from Massachusetts, and holds that there comes an automatic roll call upon the amendment. There is no quorum present. The Doorkeeper will close the doors, and the Sergeant at Arms will notify the absentees. Those who are in favor of the amendment will, as their names are called, answer "yea" and those opposed will answer "nay," and the Clerk will call the roll.

The roll was called; and there were—yeas 140, nays 178, answered "present" 1, not voting 108, as follows:

## YEAS—140.

|                |                |                   |                 |
|----------------|----------------|-------------------|-----------------|
| Andrews, Md.   | Esch           | McArthur          | Rayburn         |
| Andrews, Nebr. | Evans, Mont.   | McDuffie          | Ricketts        |
| Aswell         | Fess           | McGlennon         | Rose            |
| Bacharach      | Focht          | McKinley          | Rouse           |
| Bankhead       | Fordney        | McLane            | Rowe            |
| Barkley        | Freeman        | McLaughlin, Mich. | Sanders, La.    |
| Bee            | Godwin, N. C.  | McLaughlin, Nebr. | Siegel          |
| Benson         | Goodall        | MacCrate          | Sinnott         |
| Bland, Ind.    | Green, Iowa    | Magee             | Sisson          |
| Bland, Mo.     | Greene, Mass.  | Martin            | Smith, Idaho    |
| Bland, Va.     | Hadley         | Mead              | Stedman         |
| Box            | Hardy, Colo.   | Miller            | Steele          |
| Briggs         | Hardy, Tex.    | Minahan, N. J.    | Stephens, Miss. |
| Britten        | Harrell        | Monahan, Wis.     | Stiness         |
| Bttdick        | Harrison       | Mondell           | Strong, Kans.   |
| Burroughs      | Hawley         | Montague          | Strong, Pa.     |
| Butler         | Hawsey         | Mooney            | Summers, Wash.  |
| Campbell, Pa.  | Hill           | Moore, Ohio       | Taylor, Colo.   |
| Candler        | Holland        | Moore, Ind.       | Tilson          |
| Cantrill       | Howard         | Morgan            | Timberlake      |
| Carss          | Hudspeth       | Mott              | Upshaw          |
| Chindblom      | Hull, Iowa     | Mudd              | Vaile           |
| Classon        | Humphreys      | Nolan             | Vare            |
| Cleary         | Hutchinson     | O'Connell         | Venable         |
| Coady          | Johnson, Ky.   | O'Connor          | Ward            |
| Collier        | Johnson, Miss. | Olney             | Wason           |
| Cullen         | Johnson, Wash. | Osborne           | Watkins         |
| Darrow         | Juhl           | Peters            | Webster         |
| Dewalt         | Kelley, Mich.  | Pou               | Welling         |
| Doremus        | King           | Radcliffe         | White, Me.      |
| Dupré          | Lazaro         | Rainey, H. T.     | Wilson, La.     |
| Egan           | Lea, Calif.    | Raker             | Wilson, Pa.     |
| Eagle          | Leibach        | Ramsey            | Wright          |
| Edmonds        | Loneragan      | Randall, Calif.   | Young, Tex.     |
| Emerson        | Lufkin         | Randall, Wis.     | Zihlman         |

## NAYS—178.

|                 |                  |               |                 |
|-----------------|------------------|---------------|-----------------|
| Ackerman        | Dunbar           | Knudson       | Robinson, N. C. |
| Almon           | Elliott          | Kraus         | Robson, Ky.     |
| Anderson        | Evans, Nebr.     | Lampert       | Rogers          |
| Anthony         | Fairfield        | Lanham        | Romjue          |
| Ashbrook        | Ferris           | Layton        | Sabath          |
| Ayres           | Fields           | Little        | Sanders, Ind.   |
| Babka           | Fisher           | Luce          | Schall          |
| Baer            | Flood            | Luhning       | Sells           |
| Barbour         | Foster           | McAndrews     | Sherwood        |
| Begg            | Frear            | McClintic     | Sims            |
| Bell            | French           | McFadden      | Sinclair        |
| Benham          | Fuller, Ill.     | McKenzie      | Smith, Mich.    |
| Black           | Gallagher        | McKeown       | Snell           |
| Blackmon        | Gallivan         | McKiniry      | Steagall        |
| Blanton         | Gandy            | MacGregor     | Steenerson      |
| Boles           | Ganly            | Madden        | Stephens, Ohio  |
| Bowers          | Garner           | Major         | Stevenson       |
| Brand           | Garrett          | Mann, S. C.   | Summers, Tex.   |
| Brooks, Ill.    | Glynn            | Mapes         | Sweet           |
| Browne          | Good             | Mason         | Swope           |
| Buchanan        | Goodwin, Ark.    | Michener      | Tague           |
| Byrnes, S. C.   | Graham, Ill.     | Moon          | Taylor, Ark.    |
| Byrns, Tenn.    | Greene, Vt.      | Murphy        | Taylor, Tenn.   |
| Campbell, Kans. | Hamilton         | Nelson, Mo.   | Temple          |
| Cannon          | Haugen           | Nelson, Wis.  | Thomas          |
| Caraway         | Hays             | Newton, Minn. | Thompson        |
| Christopherson  | Heflin           | Newton, Mo.   | Tincher         |
| Clark, Mo.      | Hickey           | Ogden         | Tinkham         |
| Connally        | Hicks            | Oldfield      | Vinson          |
| Cooper          | Hoch             | Oliver        | Voigt           |
| Copley          | Houghton         | Overstreet    | Volstead        |
| Cramton         | Huddleston       | Padgett       | Walsh           |
| Crisp           | Hull, Tenn.      | Park          | Watson          |
| Currie, Mich.   | Husted           | Parker        | Weaver          |
| Dallinger       | James            | Parrish       | Welty           |
| Davis, Minn.    | Jefferis         | Pell          | Whaley          |
| Davis, Tenn.    | Johnson, S. Dak. | Phelan        | Wheeler         |
| Dempsey         | Jones, Tex.      | Purnell       | White, Kans.    |
| Denson          | Kearns           | Quin          | Williams        |
| Dent            | Keller           | Rainey, Ala.  | Wilson, Ill.    |
| Dickinson, Mo.  | Kelly, Pa.       | Rainey, J. W. | Wingo           |
| Dickinson, Iowa | Kennedy, Iowa    | Ramsayer      | Wise            |
| Domineck        | Kincheloe        | Reed, N. Y.   | Wood, Ind.      |
| Doughton        | Kinkaid          | Reed, W. Va.  |                 |
| Dowell          | Klecza           | Riordan       |                 |

## ANSWERED "PRESENT"—1.

Langley.

## NOT VOTING—108.

|               |                 |                |                |
|---------------|-----------------|----------------|----------------|
| Booher        | Ellsworth       | Kahn           | Nicholls       |
| Brinson       | Elston          | Kendall        | Paige          |
| Brooks, Pa.   | Evans, Nev.     | Kennedy, R. I. | Platt          |
| Brumbaugh     | Fuller, Mass.   | Kettner        | Porter         |
| Burke         | Gard            | Kless          | Reavis         |
| Caldwell      | Garland         | Kitchin        | Reber          |
| Carew         | Goldfogle       | Kreider        | Rhodes         |
| Carter        | Goodykoontz     | Lankford       | Riddick        |
| Casey         | Gould           | Larsen         | Rodenberg      |
| Clark, Fla.   | Graham, Pa.     | Lee, Ga.       | Rowan          |
| Cole          | Griest          | Leshner        | Rubey          |
| Costello      | Griffin         | Linthicum      | Rucker         |
| Crago         | Hamill          | Longworth      | Sanders, N. Y. |
| Crowther      | Hastings        | McCulloch      | Sanford        |
| Curry, Calif. | Hayden          | McPherson      | Scott          |
| Dale          | Hernandez       | Maher          | Scully         |
| Davey         | Hersman         | Mann, Ill.     | Sears          |
| Donovan       | Hoey            | Mansfield      | Shreve         |
| Dooling       | Hulings         | Mays           | Simp           |
| Drane         | Igoe            | Merritt        | Small          |
| Drewry        | Ireland         | Milligan       | Smith, Ill.    |
| Dunn          | Jacoway         | Moore, Va.     | Smith, N. Y.   |
| Dyer          | Johnston, N. Y. | Morin          | Smithwick      |
| Echols        | Jones, Pa.      | Neely          | Snyder         |



Stoll  
Sullivan  
Tillman

Towner  
Treadway  
Vestal

Walters  
Winslow  
Woods, Va.

Woodyard  
Yates  
Young, N. Dak.

So the amendment was rejected.

The Clerk announced the following pairs:

On the vote:

Mr. TREADWAY (for) with Mr. MANN of Illinois (against).  
Mr. CURRY of California (for) with Mr. JACOWAY (against).

Until further notice:

Mr. SNYDER with Mr. CARTER.

Mr. COLE with Mr. HAYDEN.

Mr. ELSTON with Mr. DRANE.

Mr. RHODES with Mr. TILLMAN.

Mr. HERNANDEZ with Mr. HASTINGS.

Mr. ECHOLS with Mr. EVANS of Nevada.

Mr. DALE with Mr. IGOE.

Mr. CROWTHER with Mr. LEE of Georgia.

Mr. LANGLEY with Mr. CLARK of Florida.

Mr. ANDERSON with Mr. STOLL.

Mr. JONES of Pennsylvania with Mr. DONOVAN.

Mr. BROOKS of Pennsylvania with Mr. GRIFFIN.

Mr. SLEMP with Mr. WOODS of Virginia.

Mr. YOUNG of North Dakota with Mr. SCULLY.

Mr. MERRITT with Mr. HAMILL.

Mr. CRAGO with Mr. SULLIVAN.

Mr. KENDALL with Mr. CASEY.

Mr. GRAHAM of Pennsylvania with Mr. GARD.

Mr. WOODYARD with Mr. LESHNER.

Mr. RODENBERG with Mr. CAREW.

Mr. KENNEDY of Rhode Island with Mr. CALDWELL.

Mr. VESTAL with Mr. HERSMAN.

Mr. YATES with Mr. BOOHER.

Mr. PORTER with Mr. NEELY.

Mr. MCPHERSON with Mr. MILLIGAN.

Mr. MORIN with Mr. DAVEY.

Mr. McCULLOCH with Mr. DREWRY.

Mr. WINSLOW with Mr. RUEBY.

Mr. REAVIS with Mr. MOORE of Virginia.

Mr. WALTERS with Mr. MAYS.

Mr. BURKE with Mr. MAHER.

Mr. HULINGS with Mr. MANSFIELD.

Mr. PAIGE with Mr. BRINSON.

Mr. IRELAND with Mr. SMALL.

Mr. DUNN with Mr. LARSEN.

Mr. LONGWORTH with Mr. KITCHIN.

Mr. TOWNER with Mr. LINTHICUM.

Mr. KIESS with Mr. SMITHWICK.

Mr. SANDERS of New York with Mr. LANKFORD.

Mr. KREIDER with Mr. BRUMBAUGH.

Mr. DYER with Mr. RUCKER.

Mr. RIDDICK with Mr. SEARS.

Mr. GOULD with Mr. JOHNSTON of New York.

Mr. KAHN with Mr. DOOLING.

Mr. GARLAND with Mr. KETNER.

Mr. REBER with Mr. NICHOLS.

Mr. GRIEST with Mr. SMITH of New York.

Mr. ELLSWORTH with Mr. HOEY.

Mr. GOODYKOONTZ with Mr. ROWAN.

Mr. LANGLEY. Mr. Speaker, I am paired with the gentleman from Florida, Mr. CLARK. If I were not paired, I would vote "no." I vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present. The Doorkeeper will open the doors.

Mr. DAVIS of Tennessee. Mr. Speaker, I now move to lay the bill on the table.

The SPEAKER. That motion is not in order. It would be in order if the previous question had not been ordered. The previous question has been ordered. So now the question is on the engrossment and third reading of the bill.

Mr. MAPES. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MAPES. The usual rule is that when the House refuses to concur in the action of the committee in striking out all after the enacting clause of a bill the bill is referred back to the committee. The ruling in a former Congress was that on Calendar Wednesday when that action was taken the House immediately resolved itself back into Committee of the Whole House on the state of the Union for the further consideration of the bill. In this case the committee struck out all after the enacting clause of the bill and substituted another bill or substituted an amendment. But still the House refuses to concur in the action of the committee in striking out all after the enacting clause. The Committee of the Whole House on the state of the Union has never really considered the Senate bill. It has never had

an opportunity to take it up paragraph by paragraph and amend it, and it seems to me that following the principle of the rule to which I have called attention the House should now resolve itself again into Committee of the Whole House on the state of the Union for the purpose of considering the Senate bill the same as though no substitute had been offered for it.

Mr. WALSH. Mr. Speaker, will the Chair permit me to suggest that the question is not upon the engrossment and third reading but upon the third reading?

The SPEAKER. It is upon the third reading.

Mr. WALSH. As to the suggestion of the gentleman from Michigan [Mr. MAPES], I think the gentleman has in mind—

Mr. GARRETT. Did I understand the Chair to say this is not the engrossment and third reading?

The SPEAKER. It is a Senate bill. It does not have to be engrossed.

Mr. WALSH. I think the gentleman from Michigan may have in mind what occurs when the committee strikes out the enacting clause of a bill when it is not concurred in by the House. But when a bill is amended by striking out all after the enacting clause and substituting another bill, and that amendment is disagreed to, it seems to me there is no necessity for the House again to resolve itself into Committee of the Whole House on the state of the Union for the consideration of the language that is still left in the bill. It can be done on a motion to recommit.

Mr. MAPES. Mr. Speaker, will the gentleman yield?

Mr. WALSH. Yes.

Mr. MAPES. I do not understand that there is any difference in practical effect between the motion to strike out all after the enacting clause and a motion to strike out the enacting clause. In either event in ordinary practice it means the death of the bill. Under the present situation I submit the Members of the House or the members of the committee should have the right to take up the Senate bill section by section.

Mr. TILSON. Will the Speaker hear me for a moment?

The SPEAKER. The Chair will hear the gentleman.

Mr. TILSON. I wish to call to the attention of the Chair that there were three amendments passed, or at least three separate motions. The first motion was to strike out section 1 and insert the matter of the House bill. That motion was agreed to. The first section was stricken out and the House matter inserted.

Mr. DAVIS of Tennessee. Will the gentleman yield?

Mr. TILSON. In just a moment, if the gentleman please. Later section 2 of the bill was read and stricken out. Finally section 3 was read and stricken out; so that there were three separate amendments acted upon by the Committee of the Whole.

The first amendment, striking out section 1 and inserting the House bill, has been reversed by the House. It would seem that unless a separate vote is had on the other two amendments we are brought back to this situation, that the first section of the Senate bill remains while the other two have been stricken out.

Mr. BLANTON. That is the parliamentary situation.

Mr. TILSON. Yes; or at any rate these were the parliamentary steps leading up to the present situation, Mr. Speaker.

Mr. DAVIS of Tennessee. Mr. Speaker, supplementary to what is stated by the gentleman from Connecticut, the first action was that the chairman of the committee moved to strike out the first section of the Senate bill and insert in lieu of the first section the House committee amendment.

The SPEAKER. Was a separate vote taken on each section of the House amendment?

Mr. WINGO. Yes; I insisted on a separate vote, and there were really three different amendments in the committee.

The SPEAKER. If that is the situation, then there are two amendments still to be acted upon, and what the gentleman from Michigan [Mr. MAPES] says sounds reasonable and logical; but, after all, it is based upon section 7 of Rule XXIII, and that does not apply strictly, the Chair thinks, to the present situation. It does apply in one sense practically, as the gentleman suggests—

Mr. MAPES. I am told by my colleagues here that I misapprehended the situation.

Mr. MONTAGUE. I may be mistaken, but I desire to suggest, subject to correction, that there is only one amendment—that they were not separate amendments.

The SPEAKER. The Chair is told that there were three amendments. The bill was reported to the House as amended with only one amendment.

Mr. JONES of Texas. The Chair stated that there was only one amendment.

Mr. BLANTON. A point of order, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. BLANTON. There were clearly two amendments passed by the Committee of the Whole House after the action adopting the committee amendment which made the House bill in order. The other two amendments were adopted by that action so taken by the Committee of the Whole.

The SPEAKER. What is the gentleman's point of order?

Mr. BLANTON. The point of order I make is that those two amendments are now before the House for action.

Mr. WALSH. Mr. Speaker, relative to the point of order of the gentleman from Texas, the committee followed the practice that is quite often followed, namely, when the first section of the Senate bill was read the gentleman from Massachusetts [Mr. GREENE], chairman of the Committee on the Merchant Marine and Fisheries, moved to strike out section 1 and to insert the House bill, or rather to insert the amendment which the Committee on the Merchant Marine and Fisheries had reported and which is contained in the italicized portion of the amended bill. That amendment of the Committee on the Merchant Marine and Fisheries was perfected. Finally it was voted in as a substitute for section 1. At the time the gentleman from Massachusetts [Mr. GREENE] made his motion, if I am correctly advised, he gave notice that if his motion prevailed he would then move to strike out—

Mr. BLANTON. The gentleman is in error.

Mr. WALSH. I wish the gentleman would make his statement in his own time, and not inject contradictions here when I am in the midst of an attempt to state the case.

He gave notice, if I am correctly advised, that if his motion prevailed, he would move to strike out sections 2 and 3 as they were read. They were read and he made a motion to strike them out. Now, Mr. Speaker, these motions, while in a sense they were separate amendments, are in the nature of pro forma amendments, action upon which is practically foreclosed when they adopt a substitute for section 1. The chairman of the committee I think was correct in reporting to the House that they had reported back the Senate bill with an amendment; that while it requires two separate votes in committee to eliminate the other sections, they were mere pro forma motions made necessary by the action of the committee, following the statement of the chairman to the effect that if the amendments were agreed to he would move to eliminate the other two sections. So they are not now properly before the House as separate amendments.

The SPEAKER. Is not this discussion academic? The Chair understands that the vote inserting the Senate amendment is practically a vote on the merits of the bill, and undoubtedly those who voted against the amendment voted against the bill. Therefore the Chair would suggest that it is rather a waste of time to discuss this feature of it.

Mr. WALSH. If the Chair will pardon me, I understood the Chair was inclined to hold that now the vote would come on the other two amendments.

The SPEAKER. The Chair was inclined that way, but the chairman of the Committee of the Whole House on the state of the Union reported that there was one amendment. The bill shows substantially one amendment. The Chair is inclined to think that the statement of the gentleman from Massachusetts is a fair statement of the situation, and at any rate the House having expressed emphatically its opinion of the bill, the next vote had best be on the third reading of the bill, which would undoubtedly end the whole matter. The question is on the third reading of the bill.

Mr. GREENE of Massachusetts. Mr. Speaker, I move to recommit the bill.

The SPEAKER. That will not be in order until after the third reading of the bill, and there has been no third reading of the bill.

The question was taken; and on a division (demanded by Mr. McARTHUR) there were 97 ayes and 69 noes.

The bill was read the third time.

Mr. GREENE of Massachusetts. Mr. Speaker, I move to recommit the bill to the Committee on the Merchant Marine and Fisheries.

Mr. DAVIS of Tennessee. Mr. Speaker, I move to lay that motion on the table.

The SPEAKER. The Chair does not think that motion is in order.

Mr. GARRETT. The gentleman from Massachusetts did not move the previous question on the motion to recommit.

The SPEAKER. But the previous question is pending.

Mr. GARRETT. Not on the motion to recommit.

Mr. LEHLBACH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LEHLBACH. The gentleman from Massachusetts made a motion to recommit. That motion has not been put. Is not the gentleman from Massachusetts entitled to be recognized to move the previous question?

The SPEAKER. The gentleman did not move the previous question.

Mr. LEHLBACH. The motion to recommit had not been stated.

The SPEAKER. The two motions are generally made together. The Chair is disposed to think that the motion of the gentleman from Tennessee is not in order.

Mr. GARRETT. A parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GARRETT. If the motion should be held to be in order and the motion to recommit were laid on the table, would that carry the entire bill with it?

The SPEAKER. It is a novel question to the Chair, but on first blush the Chair would say offhand that it would.

Mr. MAPES. Mr. Speaker, I would like to put this proposition to the Chair. The previous question not having been moved on the motion to recommit, it might be in order to amend the motion to recommit, and I submit that is the only motion that can be made.

The SPEAKER. That is what the Chair stated was his impression. The motion to recommit is for the purpose of preventing an amendment. The Chair would at first blush think that that would rule out the motion to lay on the table.

Mr. GREENE of Massachusetts. Mr. Speaker, I have not surrendered the floor after I made the motion to recommit, and I now move the previous question.

Mr. HICKS. Mr. Speaker, will the Chair hear me?

The SPEAKER. The Chair will hear the gentleman.

Mr. HICKS. As I understand, the question is whether it is proper to have a motion to lay on the table a motion to recommit. It would seem to me, if the motion is in order, it would be depriving the minority of their rights, that the majority could at any time lay a report of the minority on the table, and that does not seem to be in accordance with our rule.

Mr. DAVIS of Tennessee. Mr. Speaker, to obviate any further discussion on this matter, I withdraw my motion to lay on the table.

The SPEAKER. A citation has just been shown to the Chair saying that a motion to lay on the table is not in order. The gentleman from Massachusetts moves to recommit the bill to the Committee on the Merchant Marine and Fisheries, and on that he moves the previous question.

The previous question was ordered.

The SPEAKER. The question is on recommitting the bill to the Committee on the Merchant Marine and Fisheries.

The question was taken; and on a division (demanded by Mr. DAVIS of Tennessee and Mr. BLANTON) there were 164 ayes and 56 noes.

So the bill was recommitted to the Committee on the Merchant Marine and Fisheries.

#### BUDGET SYSTEM—CONFERENCE REPORT.

Mr. GOOD. Mr. Speaker, I present a conference report upon the bill H. R. 9783, to provide a national budget system and an independent audit of accounts, and so forth, for printing under the rule.

#### ALLOTMENT OF LANDS FOR CROW TRIBE—CONFERENCE REPORT.

Mr. CAMPBELL of Kansas. Mr. Speaker, I submit a conference report for printing under the rule upon the bill (S. 2890) to provide for the allotment of lands for the Crow Tribe, for the distribution of tribal funds, and for other purposes.

#### TO PUNISH THE CRIME OF LYNCHING.

Mr. CARAWAY. Mr. Chairman, I ask unanimous consent to file a minority report upon the bill (H. R. 14097) to assure the persons within the jurisdiction of every State the equal protection of the laws and to punish the crime of lynching.

The SPEAKER. The gentleman from Arkansas asks unanimous consent to file a minority report upon the bill H. R. 14097. Is there objection?

There was no objection.

#### ORDER OF BUSINESS.

Mr. GREEN of Iowa. Mr. Speaker, I ask unanimous consent to address the House for one minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. GREEN of Iowa. Mr. Speaker, as gentlemen of the House are well aware, yesterday I called up two bills for consideration and succeeded in getting at only one of them, and that one I did not succeed in finishing. Both of these bills are



considered of great importance by the Treasury Department. It is believed that if they do not pass at this session a large amount of money will be lost to the Government. I understand that the majority leader, the gentleman from Wyoming [Mr. MONDELL], will ask unanimous consent to meet hereafter at 11 o'clock. I hope no one will object to that, in order that we may get through with this important business that we have before the House, the bills which I have mentioned, as well as other matters.

#### NAVAL RADIO STATIONS.

Mr. GREENE of Massachusetts. Mr. Speaker, I call up S. J. Res. 170, to authorize and direct the Secretary of the Navy to open certain naval radio stations for the use of the general public.

The SPEAKER. The gentleman from Massachusetts calls up S. J. Res. 170. This resolution is on the Union Calendar. The House will automatically resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the joint resolution, and the gentleman from Ohio [Mr. LONGWORTH] will take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of S. J. Res. 170, with Mr. LONGWORTH in the chair.

The CHAIRMAN. The Clerk will report the Senate resolution.

The Clerk read as follows:

*Resolved, etc.,* That the Secretary of the Navy be, and he is hereby, authorized and directed, so far as is consistent with the transaction of Government business, to permit the use of the radio stations under the control of the Navy Department for the transmission and reception of commercial messages between ship and shore for the benefit of the general public, under regulations prescribed by him, and he shall fix the rates for such service, subject to control of such rates by the Congress, at a rate not less than the cost of service to the Navy Department; and the receipts for such service shall be turned into the Treasury as miscellaneous receipts.

SEC. 2. That the Secretary of the Navy be, and he is hereby, authorized and directed to permit the use of naval high-power radio stations, under the regulations prescribed in section 1, for the transmission and reception of commercial and press messages between these stations and other stations in the United States or its Territories, and between these stations and stations in foreign countries: *Provided*, That such use of naval high-power radio stations for commercial business, other than press messages, shall cease as and when the Secretary of the Navy is notified by the Secretary of Commerce that an American radio company is prepared to take over this work and establish adequate communication between the points in question: *Provided further*, That a special low charge shall be made for such press service at such rate as shall be fixed by the Secretary of the Navy.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That all land, ship, and airship radio stations, and all apparatus therein owned by the United States may be used by it for receiving and transmitting messages relating to Government business, compass reports, and the safety of ships.

"SEC. 2. That the Secretary of the Navy is hereby authorized, under terms and conditions and at rates prescribed by him, which rates shall be just and reasonable, and which, upon complaint, shall be subject to review and revision by the Interstate Commerce Commission, to use all radio stations and apparatus, wherever located, owned by the United States and under the control of the Navy Department—(a) for the reception and transmission of press messages offered by any newspaper published in the United States, its Territories or possessions, or published by citizens of the United States in foreign countries, or by any press association of the United States; and (b) for the reception and transmission of private commercial messages: *Provided*, That the rates fixed for the reception and transmission of commercial messages, other than press messages, shall not be less than the rates charged by privately owned and operated stations for like messages and service: *Provided further*, That the right to use such stations for any of the purposes named in this section shall terminate and cease as between any countries or localities or between any locality and privately operated ships, whenever privately owned and operated stations are capable of meeting the normal communication requirements between such countries or localities or between any locality and privately operated ships, and the Secretary of Commerce shall have notified the Secretary of the Navy thereof, and all rights conferred by this section shall terminate and cease in any event two years from the date this resolution takes effect.

"SEC. 3. That all stations owned and operated by the Government, except as herein otherwise provided, shall be used and operated in accordance with the provisions of the act of Congress entitled 'An act to regulate radio communication,' approved August 13, 1912."

Mr. GREENE of Massachusetts. Mr. Chairman, I yield to the gentleman from Illinois [Mr. CHINDBLOM].

Mr. CHINDBLOM. Mr. Chairman, this resolution comes with the recommendation for passage by the Committee on the Merchant Marine and Fisheries. I know of no special objection to the bill. Its principal purpose is to make it possible for the Navy Department for two years to come to continue the radio service which it has been giving during the war. No doubt Members of the House will remember that during the war all radio apparatus and all radio stations were taken over by the Government. Quite recently, by Executive order, on February 13 last, the Secretary of the Navy directed that these stations which had been taken over by the Government should be returned to their private owners as of midnight on Febru-

ary 29, 1920. There are sections of the country where it is very necessary that the Federal Government should continue the operation of radio service stations.

The committee recommends an amendment to take the place of the Senate bill. The first section of this committee amendment provides that all land, ship, and airship radio stations, and all apparatus therein owned by the United States, may be used by the United States for receiving and transmitting messages relating to Government business, compass reports, and the safety of ships. For these three purposes the Government may continue using this radio apparatus and radio service without interruption, and until Congress shall otherwise determine.

The second section of the amendment relates to two kinds of radio messages—first, press messages; and, second, commercial messages. A very unusual situation has arisen, particularly on the Pacific coast. There is no radio service on the Pacific coast which is adequate and available for the use of American newspapers and American press associations. As a matter of fact, all press messages sent to the Orient from the United States are subject to review and interruption and coloring by foreign Governments or foreign interests which sometimes show a disposition to interfere with American news and American business.

The Pacific coast situation was the phase which was first called to the attention of the committee and which really was the inception of this legislation. Section 2 further provides for commercial messages which may be sent for a period of two years, at rates to be fixed by the Secretary of the Navy, but subject to review and revision by the Interstate Commerce Commission. These rates for ordinary commercial messages shall not be less than those charged by private companies. With reference to the press messages, however, the bill makes no such provision. It is contemplated and intended by this amendment, as it was by the Senate bill, that these press messages may be sent by the Navy Department at less rates than are charged for ordinary commercial messages. All of this Government operation relating to commercial messages and press messages shall terminate, at all events, under the terms of the bill, within two years, and prior to that time, in case there shall be sufficient private apparatus and private service for handling the business. Mr. Chairman, I do not believe that any further discussion or explanation of this bill is necessary. If there are any questions any gentlemen desire to ask, the members of the committee will be glad to answer them.

Mr. KRAUS. Will the gentleman yield?

Mr. CHINDBLOM. Yes, sir.

Mr. KRAUS. Did the committee hold hearings on this bill?

Mr. CHINDBLOM. They held hearings on this bill.

Mr. KRAUS. Can the gentleman state to the Committee of the Whole House whether this enterprise would be profitable to the General Government?

Mr. CHINDBLOM. The Navy Department has stations, apparatus, and men in its employ for this service, and this apparatus and stations are the property of the Government and the men are being paid by the Government. No additional employees need to be secured; no additional apparatus need be obtained; in fact, it is not contemplated that any shall be obtained under this bill, but we are utilizing apparatus and service which the Navy Department already has and the employees which the Navy Department already has, and whatever money is paid into the Treasury will be a revenue which the Government will obtain without any additional cost.

Mr. KRAUS. Then, if I understand the gentleman—and I only understand by inference because the question has not been answered directly—the carrying on of this activity is not a source of profit to the Government but an expense, and he proposes by this bill to continue this war activity for two years in spite of that fact?

Mr. CHINDBLOM. I do not know that I understand the question of the gentleman quite correctly.

Mr. KRAUS. Well, the gentleman has not answered the question directly, but it is fairly to be inferred from his statement that the maintenance of these radio stations, which were taken on and directed as a war necessity, is an expense to the Government. That is fairly inferable because the gentleman has not answered directly the question which I have propounded as to whether it was a source of expense. In other words, the income at this time does not equal the outlay, and by this law the gentleman would require the Secretary of the Navy to maintain this war organization for a period of two years notwithstanding the fact that the Navy itself might not have occasion to use it?

Mr. CHINDBLOM. This apparatus and these stations are all owned by the Navy now, and if we do not pass this bill the Navy will have the same apparatus, will have the same sta-

tions, and will have the same employees, but no revenue will go to the Government from their use.

Mr. KRAUS. Why not let the Navy Department abandon these stations which are unnecessary for war purposes? If we pass this measure, we still keep them in activity for two years?

Mr. CHINDBLOM. No; the bill provides this activity shall continue only until privately owned stations and privately owned apparatus are sufficient to take care of the service.

Mr. DAVIS of Tennessee. Will the gentleman yield?

Mr. CHINDBLOM. Yes.

Mr. DAVIS of Tennessee. In that connection and in reply to the question of the gentleman, this bill does not require the Government to maintain any stations or apparatus for the purpose of rendering this service?

Mr. CHINDBLOM. No.

Mr. DAVIS of Tennessee. It simply authorizes the Government to render this service with the stations and apparatus which they may have, and those in authority have stated that it would not involve any additional expense; that they have their apparatus; had to maintain it; had the operators; and that to render this other service for the general public when needed would not impose any additional expense at all upon the Government.

Mr. KRAUS. I will say in reply to the gentleman from Tennessee that I will not assume that he is so simple that he would think that if this bill is passed these stations will be maintained less than twice 365 days. The Navy Department will assume that this is directory and compulsory.

Mr. GREENE of Massachusetts. Mr. Chairman, the principal use that will be made of this radio business will be for the protection of merchant ships at sea as well as of naval vessels all around the world, and that was one of the inducements which led the committee to act in this matter and to make the provision contained in the resolution that until private enterprise has provided otherwise this work could be done by the Navy Department, as it has been done, not for the purpose of making any additional expense but only for the general good of every vessel owner and every person in the United States.

Mr. VARE. Will the gentleman yield?

Mr. GREENE of Massachusetts. Yes.

Mr. VARE. This, however, does continue a war service in time of peace?

Mr. GREENE of Massachusetts. Oh, no. There is no such intention. We have not any service at all except as provided through the Navy, and the Navy can not lawfully collect one single dollar for the service rendered until this resolution is enacted into law.

Mr. VARE. They did not have any service prior to the war?

Mr. GREENE of Massachusetts. No, sir. They can not collect the money for any service they render until this bill is passed and they are authorized to collect.

Mr. MILLER. As I understand, the Navy maintains these radio stations?

Mr. GREENE of Massachusetts. Yes.

Mr. MILLER. Now, this bill authorizes the Navy to utilize them for commercial purposes and get some revenue?

Mr. GREENE of Massachusetts. To receive pay for their services, and not only that, whatever they do for the newspapers they will receive corresponding pay for, and it puts the United States in some reasonable position abroad which it does not possess to-day, but it grants them the temporary authority they ought to have.

Mr. BRIGGS. Is it not a fact that unless this privilege of utilizing the radio for commercial messages is continued under authorization many commercial interests will be denied any radio service whatever?

Mr. GREENE of Massachusetts. Yes, sir; they are proceeding now without authority of law to accommodate the public.

Mr. CHINDBLOM. Let me say, in addition to what the gentleman from Massachusetts says, that on the Great Lakes there is absolutely no radio service whatever at the present time except that which is under the control of the Navy Department.

Mr. BRIGGS. The same is true in my city of Galveston. The Navy took over the wireless apparatus there and are operating it. They have no opportunity at all to use it for private messages.

Mr. CHINDBLOM. May I add that a gentleman who recently made a trip to the Virgin Islands suggests that we have no communication with the islands of the Caribbean Sea or the Virgin Islands except through the Navy radio stations?

Mr. CANNON. Will the gentleman yield?

Mr. GREENE of Massachusetts. Yes.

Mr. CANNON. Before the war was there any service privately owned?

Mr. GREENE of Massachusetts. There were some private companies that furnished radio communication for compensation.

Mr. CANNON. And did the Government take it over, and is the Government obligated to return it to the private owners?

Mr. GREENE of Massachusetts. Yes; the private stations taken over during the war by the President have been returned by his order. The Navy bought, during the war, certain stations from the Marconi and other wireless organizations, and the Navy have them now in their possession.

Mr. CANNON. Does that cover all the radio service with foreign countries and on sea and land?

Mr. GREENE of Massachusetts. Yes; the shore stations especially, and they had the other stations for their own convenience in keeping in touch with the vessels of the Navy that were at sea, and also for accommodating the merchant marine.

Mr. CANNON. As I understand the gentleman, unless the bill passes there will be no service—

Mr. GREENE of Massachusetts. No service at all.

Mr. CANNON (continuing). For the general public?

Mr. GREENE of Massachusetts. That is it exactly. We make this provision for the temporary term of two years, and if private enterprise is ready to provide the service to meet the needs of business then the Navy Department will withdraw from the commercial radio service.

Mr. CHINDBLOM. And before two years.

Mr. GREENE of Massachusetts. And before that time if they are ready, if certified to that effect by the Department of Commerce.

Mr. Chairman, I ask for the reading of the bill.

The CHAIRMAN. Does any gentleman wish to speak in opposition to the bill? If not, the Clerk will report it.

The Clerk read as follows:

*Resolved, etc.,* That the Secretary of the Navy be, and he is hereby, authorized and directed, so far as is consistent with the transaction of Government business, to permit the use of the radio stations under the control of the Navy Department for the transmission and reception of commercial messages between ship and shore for the benefit of the general public, under regulations prescribed by him, and he shall fix the rates for such service, subject to control of such rates by the Congress, at a rate not less than the cost of service to the Navy Department; and the receipts for such service shall be turned into the Treasury as miscellaneous receipts.

SEC. 2. That the Secretary of the Navy be, and he is hereby, authorized and directed to permit the use of naval high power radio stations, under the regulations prescribed in section 1, for the transmission and reception of commercial and press messages between these stations and other stations in the United States or its Territories, and between these stations and stations in foreign countries: *Provided*, That such use of naval high power radio stations for commercial business, other than press messages, shall cease as and when the Secretary of the Navy is notified by the Secretary of Commerce that an American radio company is prepared to take over this work and establish adequate communication between the points in question: *Provided further*, That a special low charge shall be made for such press service at such rate as shall be fixed by the Secretary of the Navy.

With a committee amendment, as follows:

On page 1, strike out all of lines 3 to 11, inclusive, and on page 2 strike out all of lines 1 to 18, inclusive, and insert in lieu thereof the following:

"That all land, ship, and airship radio stations, and all apparatus therein owned by the United States may be used by it for receiving and transmitting messages relating to Government business, compass reports, and the safety of ships.

"SEC. 2. That the Secretary of the Navy is hereby authorized, under terms and conditions and at rates prescribed by him, which rates shall be just and reasonable, and which, upon complaint, shall be subject to review and revision by the Interstate Commerce Commission, to use all radio stations and apparatus, wherever located, owned by the United States and under the control of the Navy Department—(a) for the reception and transmission of press messages offered by any newspaper published in the United States, its Territories or possessions, or published by citizens of the United States in foreign countries, or by any press association of the United States, and (b) for the reception and transmission of private commercial messages: *Provided*, That the rates fixed for the reception and transmission of commercial messages, other than press messages, shall not be less than the rates charged by privately owned and operated stations for like messages and service: *Provided further*, That the right to use such stations for any of the purposes named in this section shall terminate and cease as between any countries or localities or between any locality and privately operated ships, whenever privately owned and operated stations are capable of meeting the normal communication requirements between such countries or localities or between any locality and privately operated ships, and the Secretary of Commerce shall have notified the Secretary of the Navy thereof, and all rights conferred by this section shall terminate and cease in any event two years from the date this resolution takes effect.

"SEC. 3. That all stations owned and operated by the Government, except as herein otherwise provided, shall be used and operated in accordance with the provisions of the act of Congress entitled 'An act to regulate radio communication,' approved August 13, 1912."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. GREENE of Massachusetts. Mr. Chairman, I move that the committee do now rise and report the bill back to the House



with the amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. LONGWORTH, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration Senate joint resolution 170, to authorize and direct the Secretary of the Navy to open certain naval radio stations for the use of the general public, had directed him to report the same back to the House with an amendment with the recommendation that the amendment be agreed to and that the resolution as amended do pass.

Mr. GREENE of Massachusetts. Mr. Speaker, I move the previous question on the resolution and the amendment to final passage.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the Senate joint resolution.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

Mr. GREENE of Massachusetts. Mr. Speaker, I move that the title be amended in accordance with the text.

The SPEAKER. The gentleman from Massachusetts moves that the title of the resolution be amended in accordance with the text. The question is on agreeing to that motion.

The motion was agreed to.

On motion of Mr. GREENE of Massachusetts, a motion to reconsider the vote whereby the Senate joint resolution was passed was laid on the table.

#### ORDER OF BUSINESS.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow. Is there objection?

Mr. GARRETT. Reserving the right to object, Mr. Speaker, may I ask the gentleman what is in his contemplation to take up to-morrow?

Mr. MONDELL. A bill from the Committee on Ways and Means is unfinished business. It is possible that the Committee on Rules may present a rule, but the unfinished business is a bill from the Committee on Ways and Means. There are several conference reports pending before the House.

Mr. GARRETT. May I inquire as to the nature of the rule that is likely to be presented?

Mr. MONDELL. I presume that the gentleman, who is a member of the Committee on Rules, knows of the rules that have been so far approved by the Committee on Rules.

Mr. GARRETT. Yes; I am familiar with those; I am familiar with them, but I have no information as to which one of the several rules is likely to come up.

Mr. MONDELL. I do not know that I could say.

Mr. GARRETT. I do not wish to interfere, I will say to the gentleman from Wyoming, with the gentleman from Iowa [Mr. GREEN] proceeding with the revenue bill that he has in hand, but I do not feel that I could consent if there is a rule from the Committee on Rules to come up. The Committee on Rules is to meet at 10 o'clock, but I am not advised as to what business will come before it. I do not propose to get in the way of the gentleman from Iowa, but with a statement so general as that made by the gentleman from Wyoming I feel that I shall have to object.

Mr. SABATH. Is it not possible for you gentlemen on that side to agree on something? [Laughter.]

Mr. MONDELL. Mr. Speaker, realizing the position of the gentleman from Tennessee, and having no desire to embarrass him, I will withdraw my request. [Laughter.]

#### ENROLLED BILL AND JOINT RESOLUTION SIGNED.

The SPEAKER announced his signature to enrolled bill and joint resolution of the following titles:

S. 3897. An act to amend section 16 of the act of Congress approved July 17, 1916, known as the Federal farm-loan act.

S. J. Res. 179. Joint resolution authorizing use of Army transports by teams, individuals, and their equipment representing the United States in Olympic games and international competitions.

#### EXTENSION OF REMARKS.

Mr. GREENE of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection to the gentleman's request?

There was no objection.

Mr. SABATH. Mr. Speaker, I make the same request.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PARRISH. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman from Texas makes the same request. Is there objection?

There was no objection.

Mr. PELL. Mr. Speaker, I make the same request.

The SPEAKER. Is there objection?

There was no objection.

Mr. CRAMTON. Mr. Speaker, these requests all have reference to the pending bill?

The SPEAKER. It is so understood.

Mr. BLANTON. Mr. Speaker, I think we ought to have a quorum. I make the point of order that there is no quorum present.

#### ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 47 minutes p. m.) the House adjourned until to-morrow, Thursday, May 27, 1920, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Treasury, transmitting estimate of appropriation required for the Detroit, Mich., Marine Hospital (H. Doc. No. 794); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Secretary of the Treasury, transmitting communication from the president of the United States Civil Service Commission submitting an estimate of appropriation required for section 13 of the act for the retirement of employees in the classified civil service (H. Doc. No. 795); to the Committee on Appropriations and ordered to be printed.

3. A letter from the Secretary of the Treasury, transmitting estimate of appropriation required for administration of the civil-service retirement act, Bureau of Pensions, Department of the Interior (H. Doc. No. 796); to the Committee on Appropriations and ordered to be printed.

4. A letter from the Acting Secretary of the Treasury, transmitting estimate of appropriation for inclusion in the general deficiency bill for the construction of a penthouse on bridge, New York, N. Y. (H. Doc. No. 797); to the Committee on Appropriations and ordered to be printed.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. PORTER, from the Committee on Foreign Affairs, to which was referred the joint resolution (S. J. Res. 152) authorizing the appointment of a commission to confer with the Dominion Government or the provincial governments of Quebec, Ontario, and New Brunswick as to certain restrictive orders in council of the said Provinces relative to the exportation of pulp wood therefrom to the United States, reported the same with amendments, accompanied by a report (No. 1039); which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. SINNOTT, from the Committee on the Public Lands, to which was referred the bill (H. R. 14101) providing for the extension of time for the reclamation of certain lands in the State of Oregon under the Carey Act, reported the same without amendment, accompanied by a report (No. 1040), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. GANDY, from the Committee on the Public Lands, to which was referred the bill (H. R. 11118) authorizing the consolidation of lands in national forests in the State of South Dakota, reported the same with amendments, accompanied by a report (No. 1042), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,  
Mr. KELLY of Pennsylvania, from the Committee on Claims, to which was referred the bill (H. R. 10521) for the relief of Ida F. Baum, reported the same without amendment, accompanied by a report (No. 1041), which said bill and report were referred to the Private Calendar.

## CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 14108) granting an increase of pension to William W. Burke, and the same was referred to the Committee on Pensions.

## PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. LANGLEY: A bill (H. R. 14239) fixing the rate of compensation of internal-revenue gaugers, storekeepers, and storekeeper-gaugers, the hours of labor per day, and providing the rate of compensation per hour for extra work, and for other purposes; to the Committee on Expenditures in the Treasury Department.

By Mr. VOLSTEAD: Resolution (H. Res. 569) for the immediate consideration of House joint resolution 339; to the Committee on Rules.

By Mr. MASON: Resolution (H. Res. 570) asking for information as to mandate for Armenia; to the Committee on Foreign Affairs.

By Mr. BLACKMON: Resolution (H. Res. 571) asking for information regarding the use of the House Office Building and the legislative drafting committee; to the Committee on Rules.

By Mr. KNUTSON: Joint resolution (H. J. Res. 363) making an appropriation to discover a suitable substitute for gasoline; to the Committee on Agriculture.

By Mr. BLACKMON: Joint resolution (H. J. Res. 364) for the appointment of a joint commission of three Members of the House and two Members of the Senate to investigate contributions to all candidates for Members of the Sixty-seventh Congress; to the Committee on Appropriations.

By Mr. MASON: Concurrent resolution (H. Con. Res. 57) favoring a government of its own choice for Ireland; to the Committee on Foreign Affairs.

By Mr. BEGG: Concurrent resolution (H. Con. Res. 58) regarding the freedom of Ireland; to the Committee on Foreign Affairs.

## PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BENHAM: A bill (H. R. 14240) granting an increase of pension to John A. Ruddell; to the Committee on Pensions.

By Mr. BLAND of Virginia: A bill (H. R. 14241) granting an increase of pension to Sherwood C. Bownes; to the Committee on Pensions.

By Mr. BROOKS of Illinois: A bill (H. R. 14242) for the relief of John A. Bingham; to the Committee on Claims.

By Mr. GLYNN: A bill (H. R. 14243) granting a pension to Grace A. Kimmer; to the Committee on Pensions.

By Mr. GOLDFOGLE: A bill (H. R. 14244) granting an increase of pension to Jacob Mandelbaum; to the Committee on Pensions.

By Mr. GRAHAM of Illinois: A bill (H. R. 14245) for the relief of H. Bernhard Erikson; to the Committee on Claims.

By Mr. JONES of Pennsylvania: A bill (H. R. 14246) granting a pension to Agnes Fowler; to the Committee on Invalid Pensions.

By Mr. LEE of Georgia: A bill (H. R. 14247) granting an increase of pension to Malissa M. A. Carlson; to the Committee on Pensions.

By Mr. LONERGAN: A bill (H. R. 14248) granting a pension to Annie M. Marsh; to the Committee on Invalid Pensions.

By Mr. McFADDEN: A bill (H. R. 14249) granting a pension to Frank E. Crowley; to the Committee on Pensions.

By Mr. MEAD: A bill (H. R. 14250) granting an increase of pension to William J. Hines; to the Committee on Pensions.

By Mr. MOORES of Indiana: A bill (H. R. 14251) granting a pension to Annie L. Marksbury; to the Committee on Invalid Pensions.

By Mr. PELL: A bill (H. R. 14252) for the relief of Percy de Marets Betts; to the Committee on Military Affairs.

By Mr. SMITH of Michigan: A bill (H. R. 14253) granting a pension to Luella E. Foote; to the Committee on Invalid Pensions.

By Mr. STRONG of Pennsylvania: A bill (H. R. 14254) granting a pension to Robert A. Ayers; to the Committee on Invalid Pensions.

By Mr. CANNON: Resolution (H. Res. 572) to pay Arthur Lucas for special janitor services; to the Committee on Accounts.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3896. By Mr. CROWTHER: Petition of sundry citizens of the city of Schenectady, N. Y., urging the passage of the Mason bill; to the Committee on Foreign Affairs.

3897. By Mr. CULLEN: Two petitions of New York Association of Letter Carriers and Post Office Clerks, favoring increase in postal salaries; to the Committee on the Post Office and Post Roads.

3898. Also, petition of American Medical Society, favoring publication of a medical history of the Great War; to the Committee on Appropriations.

3899. Also, petition of Architectural and Ornamental Iron and Bronze Workers' Union, favoring amnesty for political prisoners; to the Committee on the Judiciary.

3900. Also, petition of New York State Industrial Safety Congress, favoring vocational rehabilitation bill; to the Committee on Education.

3901. By Mr. ESCH: Petition of employees of Fraternal Brotherhood of Los Angeles, Calif., favoring the passage of House bill 10925 and Senate bill 3259; to the Committee on Interstate and Foreign Commerce.

3902. By Mr. FULLER of Illinois: Petition of A. D. Gates Co., of Sycamore, Ill., opposing the McNary bill for stamping the cost price on each pair of shoes; to the Committee on Interstate and Foreign Commerce.

3903. By Mr. GOLDFOGLE: Petition of New York State Federation of Labor of Utica, N. Y., favoring the Fess-Kenyon vocational rehabilitation bill; to the Committee on Education.

3904. Also, petition of Cloak and Suit Tailors' Union, Local No. 9, and Architectural and Ornamental Iron and Bronze Workers' Union of New York, favoring amnesty for political prisoners; to the Committee on the Judiciary.

3905. By Mr. IGOE: Petition of St. Louis Chamber of Commerce, protesting against compulsory adoption of the metric system; to the Committee on Coinage, Weights, and Measures.

3906. Also, petition of former citizens of White Russia, Ukraine, and Lithuania, asking revocation of Polish mandate; to the Committee on Foreign Affairs.

3907. Also, petition of Advertising Club of St. Louis, protesting against House bill 12976; to the Committee on Ways and Means.

3908. By Mr. JOHNSTON of New York: Petition of Brooklyn Council, No. 72, Royal Arcanum, in connection with increase in postal salaries; to the Committee on the Post Office and Post Roads.

3909. Also, petition of Architectural and Ornamental Iron and Bronze Workers' Union of New York, favoring amnesty for political prisoners; to the Committee on the Judiciary.

3910. Also, petition of New York State Industrial Safety Congress in connection with vocational rehabilitation; to the Committee on Education.

3911. By Mr. LONERGAN: Petition of Connecticut Congress for Mothers, favoring the passage of the Sheppard-Towner bill; to the Committee on Education.

3912. Also, petition of diocese of Connecticut against the Yukon canneries and directing attention to Far East affairs; to the Committee on Foreign Affairs.

3913. By Mr. MEAD: Petition of the board of directors of the Corn Exchange of Buffalo, N. Y., protesting against section 704 of House bill 13874; to the Committee on Ways and Means.

3914. Also, petition of Wolanski Post, No. 707, American Legion plan for bonus; to the Committee on Ways and Means.

3915. By Mr. O'CONNELL: Petition of Butterick Publishing Co. in connection with increased postal salaries; to the Committee on the Post Office and Post Roads.

3916. Also, petition of Air Reduction Co., of New York, in connection with proposed patent legislation; to the Committee on Patents.

3917. Also, petition of New York State Industrial Safety Congress and New York State Federation of Labor in connection with the vocational rehabilitation bill; to the Committee on Education.



3918. Also, petition of Lannin & Kemp and Harvey A. Willis Co., of New York, protesting against soldier bonus legislation; to the Committee on Ways and Means.

3919. By Mr. TAGUE: Petition of New England Section of Society of American Foresters, favoring report of Joint Commission on Reclassification of Salaries; to the Committee on Reform in the Civil Service.

3920. Also, petition of National Association of Cotton Manufacturers opposing immediate passage of pending patent legislation; to the Committee on Patents.

3921. Also, 49 petitions of residents of Boston, Mass., favoring increase in wages for postal employees; to the Committee on the Post Office and Post Roads.

3922. By Mr. TILSON: Petition of Connecticut Congress of Mothers, urging passage of Sheppard-Towner bill; to the Committee on Education.

## SENATE.

THURSDAY, May 27, 1920.

(Legislative day of Monday, May 24, 1920.)

The Senate reassembled at 12 o'clock m., on the expiration of the recess.

### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House agrees to the amendments of the Senate to the bill (H. R. 13416) making appropriations for the payment of invalid and other pensions of the United States for the fiscal year ending June 30, 1921, and for other purposes.

The message also announced that the House agrees to the amendment of the Senate to the bill (H. R. 4438) to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment.

The message further announced that the House disagrees to the amendments of the Senate to the bill (H. R. 13587) making appropriations for the support of the Army for the fiscal year ending June 30, 1921, and for other purposes, agrees to the conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. KAHN, Mr. ANTHONY, and Mr. DENT managers at the conference on the part of the House.

The message also announced that the House had passed the joint resolution (S. J. Res. 170) to authorize and direct the Secretary of the Navy to open certain naval radio stations for the use of the general public with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the Speaker of the House had signed the following enrolled bill and joint resolution, and they were thereupon signed by the Vice President:

S. 3897. An act to amend section 16 of the act of Congress approved July 17, 1916, known as the Federal farm-loan act; and S. J. Res. 179. Joint resolution authorizing use of Army transports by teams, individuals, and their equipment representing the United States in Olympic games and international competition.

### PETITIONS AND MEMORIALS.

Mr. CAPPER presented a memorial of Local Lodge No. 65, Brotherhood of Railway Trainmen, of Osawatimie, Kans., remonstrating against the passage of the Army reorganization bill, which was ordered to lie on the table.

He also presented a petition of the Women's Auxiliary, Benjamin Fuller Post, American Legion, of Pittsburg, Kans., praying for the granting of a bonus to ex-service men, which was referred to the Committee on Finance.

He also presented a memorial of the Lyon County Pomona Grange, Patrons of Husbandry, of Emporia, Kans., remonstrating against the passage of the so-called Nolan tax bill, which was referred to the Committee on Finance.

Mr. McLEAN presented a petition of Local Union No. 22, Journeymen Tailors' Union of America, of New Haven, Conn., praying for the parole of Federal prisoners, which was referred to the Committee on the Judiciary.

He also presented petitions of the Chamber of Commerce of New Britain; of Local Branch No. 175, National Association of Letter Carriers, of Middletown; of the Central Labor Union of Stamford; of Local Council No. 8, Order of United American Mechanics, of New Britain; of the Chamber of Commerce of West Haven; of Court Washington, No. 67, Foresters of America, of Torrington; and of sundry citizens of Bridgeport, all of the State of Connecticut, praying for an increase in the

salaries of postal employees, which were referred to the Committee on the Post Office and Post Roads.

He also presented a memorial of the Albanian Society of Goodyear, Conn., remonstrating against the annexation of the southern Provinces of Albania to Greece, which was referred to the Committee on Foreign Relations.

He also presented memorials of the directors of the National Bank of New England, of East Haddam; the Connecticut National Bank, of Bridgeport; the Middletown National Farmers & Mechanics' Savings Bank, of Middletown; the Savings Bank of Middletown; and the Chelsea Savings Bank, of Norwich; the Danbury National Bank, of Danbury; and the Rockville National Bank, of Rockville; and of the East Hampton Bank & Trust Co., of East Hampton, all in the State of Connecticut, remonstrating against the enactment of legislation imposing a Federal tax on the sale of securities, which were referred to the Committee on Finance.

He also presented a petition of the Congress of Mothers for Child Welfare of the State of Connecticut, praying for the enactment of legislation providing for the protection of maternity and infancy, which was referred to the Committee on Public Health and National Quarantine.

Mr. TOWNSEND (for Mr. NEWBERRY) presented a petition of sundry citizens of Ann Arbor, Mich., praying for the enactment of legislation providing for the protection of maternity and infancy, which was referred to the Committee on Public Health and National Quarantine.

He also (for Mr. NEWBERRY) presented memorials of Local Lodge No. 8, Pan-Albanian Mohammedan Religion Society of America, of Detroit; of the Albanian Educational Club of Detroit; of the Albanian Society of Pontiac; and of the Pan-Albanian Federation of America, all in the State of Michigan, remonstrating against the enactment of legislation awarding to Greece by the peace conference of Northern Epirus, including Corytza, the 12 islands of the Aegean and the western coast of Asia Minor, which were referred to the Committee on Foreign Relations.

He also (for Mr. NEWBERRY) presented a memorial of the Civic and Commercial Association of Sault Ste. Marie, Mich., remonstrating against the enactment of legislation recognizing the soviet government of Russia by the United States, which was referred to the Committee on Foreign Relations.

### REPORTS OF COMMITTEES.

Mr. SHERMAN, from the Committee on the District of Columbia, to which was referred the bill (H. R. 7158) to provide for the expenses of the government of the District of Columbia, reported it with an amendment and submitted a report (No. 636) thereon.

Mr. LODGE, from the Committee on Foreign Relations, reported an amendment proposing to appropriate \$2,500 for the expenses of two officers of the Public Health Service to be designated by the President to represent the United States at the Sixth International Sanitary Conference at Montevideo, Uruguay, from December 12 to 20, 1920, etc., intended to be proposed to the general deficiency appropriation bill, and moved that it be referred to the Committee on Appropriations and printed, which was agreed to.

### BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CALDER:

A bill (S. 4450) for the relief of Lewis W. Flaunlacher; and A bill (S. 4451) for the relief of the estate of David Clark; to the Committee on Claims.

A bill (S. 4452) providing for the establishment of a probation system in the United States courts, except in the District of Columbia; to the Committee on the Judiciary.

By Mr. BRANDEGEE:

A joint resolution (S. J. Res. 206) authorizing the erection on public grounds in the city of Washington, D. C., of a memorial to Jeanne d'Arc; to the Committee on the Library.

### AMENDMENT TO DEFICIENCY APPROPRIATION BILL.

Mr. STERLING submitted an amendment authorizing the Secretary of the Senate and Clerk of the House of Representatives to pay to the officers and employees of the Senate and the House borne on the annual and session rolls on the 1st day of May, 1920, for extra services during the first and second sessions of the Sixty-sixth Congress, a sum equal to one month's pay at the compensation allowed them by law, etc., intended to be proposed by him to the general deficiency appropriation bill, which was ordered to be printed, and, with accompanying paper, referred to the Committee on Appropriations.